

GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes - Meeting, Tuesday February 23, 1993

Present:

Benjamin, Georges
Bond, Calhoun
Civiletti, Benjamin
Colvin, Carolyn
D'Alessio, Frederick
Evans, Dallas
Jones, Dana
Leviton, Susan
Linehan, Earl

Mannion, Patricia
Murray, Ethel
Obrecht, Charles
Pines, Marion
Smith, Harold
Stith, Rosetta
Tolbert, Constance
Wood, Marcus

Absent:

Hoffman, Barbara

Sabatini, Nelson

The meeting was called to order by Benjamin Civiletti, Chairman, at 4:21 P.M. After introducing himself, Mr. Civiletti spoke briefly about his meeting with the Governor, who advised him to approach the work of the Commission with an open mind with no predispositions.

The order of business of the Commission would be different tonight because of the Governor's visit. Mr. Civiletti stressed the importance of having time reserved at the end of each meeting for public input. At the beginning of each meeting public participants can sign up to speak during the last 20-30 minutes of each meeting.

Mr. Civiletti announced the timetable for the Commission. The Initial report is due October 31, 1993 and the Final report is due, June 30, 1994. This was outlined in the revised Executive Order.

Mr. Civiletti officially confirmed the appointments of the Commissioners by handing out the Commissions to the 13 public members and letters from the Governor to the six ex-officio members.

Mr. Civiletti introduced Tim Griffith, Executive Director of the Income Maintenance Division of the Department of Human Resources. Mr. Griffith stated that this was a long-awaited commission, having a broad range of members noting the range of its interests. Mr. Griffith then introduced Rich Larson, Director of the Office of Program Innovation.

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Mr. Larson gave a brief summary of the scope and purpose of the Commission. He explained the connection of the Commission with the divisions of the Department of Human Resources and other departments within State government. He introduced the staff of the Commission, and had the Department of Human Resources Liaisons introduce themselves along with the Liaisons representing the Departments of Economic and Employment Development, Education, Budget and Fiscal Planning, Housing, the Commission on Higher Education, and the Office on Children Youth and Families.

Mr. Larson continued by noting that the partnership will also include drawing on the resources of Maryland Universities. He introduced R. Catherin Born (University of Maryland School of Social Work), Dr. Michael Conte (University of Baltimore) and Dr. Robert Hill (Morgan University) who will be conducting research and providing technical assistance to the Department of Human Resources in support of the Commission's work.

Mr. Civiletti mentioned the expenses that might be incurred by the Commissioners in attending the meetings and had Mary Sacilotto, Staff, give the procedures for reimbursement.

Chairman Civiletti went over the scope of the Executive Order. He further elaborated on how commissions work, how systems work, how to stay focused - ideas - efforts - problems - pitfalls - risks - development - design.

The Commission would be looking at what other States are doing. Education would play a vital role in seeing other view points and making us aware of other environmental factors that would affect the work of the commission.

Segments of the meetings will be devoted to public discussion with a reasonable time frame. If the discussion goes beyond the time frame, then the presentation can be submitted in writing to become a part of the permanent record of the Commission. (This would prevent disruptions during the meeting.) Dr. Stith agreed that a time restriction should be in place in order to keep the meetings within set time frames.

It will be necessary to sign in at every meeting. This will eliminate the need for roll call. Attendance is a issue, and this will meet the requirement for attendance, as well as paying for food.

Commission meetings are subject to the open meeting statute. Advance notice will be published in the Maryland Register. Dr. Stith suggested that other media sources be used to notify the general public other than the Maryland Register. She stated

that the persons most interested in the Commission would not have access to the Maryland Register. Some of the notices should be given through radio, newspapers, written notice, etc.

Meetings will be held on the 2nd and 4th Tuesdays each month. The time of the meetings will be from 4:00 to 8:00 P.M. The next meeting will be 3/9. It will be necessary for all persons to try and attend regular meetings. The first report deadline will be October, 1993. It may be necessary to hold sub-task force meetings between regular meetings in order to meet these deadlines. All persons should try to attend regularly or send a knowledgeable representative. Mr. Civiletti will keep an eye on the attendance of the Commission members. Commission members will be notified when cancellations are necessary due to inclement weather or other adverse conditions. Phone and FAX numbers should be kept current.

Library materials and books pertaining to the work of the Commission will be available upon request. Rich Larson recommended some books that were available for their review. Poor Support by David Ellwood, Mandate for Change by the

Progressive Policy Institute (think tank of the Clinton Administration) The End of Equality by Mickey Kaus, and many periodicals, reports, etc. pertaining to Welfare Reform.

Dr. Stith suggested that they be given abstracts or reviews of these books due to the busy schedules of everyone. She also suggested that materials be given in advance.

There will be no restrictions on internal communications. Mr. Civiletti thinks that people should communicate openly with one another. Routine and special communications will be handled by Rich Larson. External communications will be handled by Mr. Civiletti. He believes that everything the Commission does should be public. No one should at any time speak for the Commission at large. Public statements on behalf of the Commission will be handled by Mr. Civiletti. Mr. Civiletti stated that interested persons should be put on the mailing list to be sent meeting notices, copies, and distributed materials, etc. Interested persons should contact Swakuu Karim at 333-0812.

There should be records kept of the meetings. Minutes will be kept and distributed as soon as possible after the meetings. Some meetings should be recorded for future reference when certain topics or concerns are important to the public at large or the Commission may want for later review.

At approximately 6:00 P.M. the Commission stopped for a break.

At 6:25 P.M. following the break, the meeting was called to order by Chairman Benjamin Civiletti. We were informed that Governor Schaefer was unable to attend the meeting, as scheduled. Paul Schurick, Governor's Chief of Staff was introduced by Chairman Civiletti to give the Governor's remarks.

Mr. Schurick explained that the Governor was unable to attend because the Legislature was deliberating over the Administration's budget, intending to cut \$100 to \$150 million.

Mr. Schurick stated that the Governor wanted him to deliver two messages. First the expectations of the Commission, which are outlined in both the Executive order and the Press Release.

Mr. Schurick read from page two of the Press Release the following:

1. Work and all efforts at self-sufficiency
2. Family and all efforts to strengthen families and parental responsibility
3. Reciprocal obligations which we owe as citizens to one another
4. Improve the way government serves individuals and families

Secondly, the Governor wants the Commission members to have no predispositions. Do not take anything off the table. Anything and everything are subjects for discussion.

Secretary Colvin then introduced the keynote speaker.

The keynote address, "Welfare Reform: Have we learned enough to do it right?" was given by Dr. Linda Wolf, Deputy Executive Director, American Public Welfare Association.

Dr. Wolf set the tone of her presentation with a quote, "There are no longer any prizes for forecasting rain, only for building arks". Messages regarding the need for change in the welfare system are coming from all directions - federal, state and local governments, the general public and client and advocate organizations. The demands on the welfare system have changed and it is no longer sufficient to maintain income. The welfare system must be redesigned to be an active player in the move toward self-sufficiency. While everyone hates welfare for a variety of reasons, including the fact that nobody leaves and changes have resulted in a program that serves fewer and fewer working poor, there is little agreement regarding what must be done to "reform" welfare as we know it.

Efforts at welfare reform are complicated by the fact that nobody can agree on a definition of self-sufficiency. States have experimented with programs to address various behaviors determined to be detrimental to self-sufficiency such as Learnfare, Bridefare, and Workfare. All of these efforts made on the basis of limited knowledge and public policy particularly in the area of welfare reform, have been made based upon flawed perception of reality.

In order for welfare reform to succeed, planners need to:

- (1) Be honest and real with one another.
- (2) Find a way to listen to the people we want to serve.
- (3) Know what we know.

Dr. Wolf returned to the ark/rain storm metaphor by citing several examples of social conditions in the United States, which must be addressed.

- (1) One in four children are born in poverty.
- (2) One in four children live in poverty until age 14.
- (3) Homeless is a growing problem - families with children the fastest growing group of homeless.
- (4) The unemployment rate is officially 7%. It is actually 13%-14% if the number of people simply dropping out of the job market are counted.
- (5) Child abuse and neglect are rising.
- (6) 20% of the GDP (Gross Domestic Product) will be spent on health care if nothing is done in the area of health reform.
- (7) Washington, D.C. has a higher infant mortality rate than many third world countries.

The job of the 1990's will be the transformation of the welfare system.

A question and answer period followed Dr. Wolf's presentation. The meeting was adjourned at 7:50 P.M.

The next meeting of the Commission will be Tuesday, March 9, 1993 at 4:00 P.M.

GOVERNOR'S COMMISSION ON WELFARE POLICY

MINUTES OF MEETING OF MARCH 9, 1993

Present:

Benjamin, Georges	Mannion, Patricia
Civiletti, Benjamin	Obrecht, Charles
Colvin, Carolyn	Pines, Marion
Finney, Carlesa (for Dallas Evans)	Sachs, Leonard
Jones, Dana	Smith, Harold
Leviton, Susan	Stith, Rosetta
Linehan, Earl	Tolbert, Constance
Massey, Keith (for Marion Pines)	Wood, Marcus

Absent:

Bond, Calhoun	Murray, Ethel
D'Alessio, Frederick	Sabatini, Nelson
Hoffman, Barbara	

The second meeting of the Governor's Commission on Welfare Policy began at 4:21 P.M. Mr. Civiletti began the meeting with a reminder that those interested may sign-up to speak at the end of the meeting. He announced that this meeting would begin the task of educating the Commisison on Public Welfare programs. The minutes were tentatively approved subject to correction (See Addendum to minutes of February 23, 1993.)

Chairman Civiletti introduced and welcomed Mr. Leonard Sachs, Chairman of the Department of Human Resources Advisory Council, as the newest member of the Commission. The meeting was then turned over to Richard Larson, Staff Director for the Commission.

Mr. Larson gave a brief overview of the historical roots of our current "means-tested" programs. In response to a question from Mr. Smith, this term of art was explained as one that covers programs with financial eligibility requirements. The overhead transparencies used in this presentation were printed and distributed at the meeting. Consequently, their content will not be repeated here. In commenting on the materials, Mr. Larson noted that the general progression of responsibility was from private philanthropy to local (county/parish) responsibility to state responsibility to federal responsibility, with the current ferment of reform happening back on the state level with a large number of experiments being conducted under federal waiver authority.

Mr. Larson also spoke to the fact that there had been a request to speak to the historical development of these programs "in order of disaster". This was not possible since so few programs have been subjected to a comprehensive and rigorous analysis and evaluation. The "Declaration System" where welfare recipients were not asked to appear for face to face interviews or to validate the statements on their applications for assistance is generally acknowledged to be

in the area of a "disaster" since, in Maryland, it resulted in a case error rate of 53%. He noted that there have been few major evaluative projects. The results of Negative Income Tax experiments gave pause to those advocating that income strategy while the Work Incentive Demonstration studies provided valuable information that found its way into the Family Support Act of 1988. He noted that principal problems in evaluating the welfare reforms of the past and present are not merely their cost and complexity, but the fact that this evaluation also involves a societal agreement or consensus on the desired outcomes of the reform as well as the means to achieve those outcomes. This is no easy task and will be a central challenge for the Commission.

Presentations were then given by representatives from various state agencies.

1. Marie Mayor from the State Department of Education distributed the Maryland School Performance Report. This report measures school system performance in 13 database areas (standards of accountability). All schools must have a school improvement plan the objective of which is to improve performance in database areas.

Several programs which assist low income schools or students were discussed:

- a. Chapter 1 is a program designed to help disadvantaged children succeed in school, especially elementary. It is the largest single source of Federal funding for elementary schools and is targeted to schools with high concentrations of low income students. All students in Chapter 1 schools benefit from enhanced resources for supportive services including advanced and specialized training for teachers. The goal of Chapter 1 is to meet the needs of high risk students.
- b. Adult Education programs receive funding of \$330,000.
- c. Career and Technology Education programs receive \$14,000,000 in Federal funds and \$2,900,00 in State funds. These programs were previously Vocational Education but are now more academically oriented.
- e. School Lunch program is available to students having family income at or below the poverty level. Food Stamp recipients automatically qualify for the program unless the parent indicates that they do not wish to participate. Many schools now also have school breakfast programs with the same eligibility requirements.

Several questions were raised. The issue of tracking school performance based on receipt of benefits was addressed. It is not possible to do this.

The issue of the generally lower performance scores of African American males was raised.. (This relates to data on page 60 and 61 of the performance report.) A recommendation that racism and sexism should be part of the Commission's agenda was made.

2. Classie Hoyle of the Commission on Higher Education outlined scholarships and programs of educational assistance for low income students.

The following programs were discussed:

- a. Dwight D. Eisenhower Mathematics and Science Education State Program which supports professional development in the areas of math and science for teachers.
- b. The College Preparation Intervention Program to ensure that students at risk of missing out on a secondary education receive adequate preparation for college work and to improve their potential for admission to, retention in and graduation from college.
- c. Education Excellence Award Program: Educational Assistance Grants (EAG) provides assistance to low to moderate income families. A grant of up to \$3,000 per year can be paid.
- d. Needs Based Scholarships:
 - 1) General State Scholarship
 - 2) Senatorial Scholarships
- e. Retention Grant for the Baltimore City Community College addresses problems of attrition and poor performance of transitional (remedial or developmental) students.

The question of access to information regarding the availability of scholarships and assistance was raised. While all schools and guidance counselors receive information, there was concern expressed that the information was not reaching the ultimate user, the students and parents. It appears that the interested student has to seek out the information rather than having it provided to him.

DHR was asked if it made this kind of information available to recipients. Secretary Colvin responded that it was her hope to reach this population before they came to the local DSS.

3. Patricia Payne of the Department of Housing and Community Development distributed two reports, Community Assistance Administration Programs Guide and The Community Development Administration Program Guide.
The DHCD is a public sector lender, mortgage company and grant manager.

These are four major programs which meet approximately 5% of the state's housing needs. These programs are:

1. Rental Housing Programs
2. Special Loan Program
3. Housing Subsidy Programs
4. Home Investment Partnership Program

1) Rental Housing Programs

The Rental Housing Programs office administers nine programs which finance the acquisition, construction or rehabilitation of multi-family rental housing and the rehabilitation of nonresidential properties. The programs provide affordable rental housing for low and moderate-income households and individuals and promote community development.

2) Special Loan Programs

The Special Loan Program office administers five programs to improve single family and small rental properties for low and moderate-income families and individuals and to promote community redevelopment. The programs provide comprehensive rehabilitation and limited rehabilitation to improve the basic livability of properties, increase energy conservation and meet special housing needs such as lead paint abatement, accessory dwellings, and installation of indoor water and sewer facilities.

3) Housing Subsidy Programs

The Housing Subsidy Programs office provides rental assistance with Federal and State funds to low-income families to enable them to rent decent, safe and sanitary housing. All of these programs have been developed to improve and enhance affordable rental housing opportunities for the benefit of low-income households.

4) Home Investment Partnership Program

The HOME Investment Partnerships (HOME) Program is a Federal program which provides funds to the State and certain local governments to promote affordable housing activities. Maryland's program will be administered by CDA and a portion of the annual allocation will be used in conjunction with existing CDA Rental Housing, Homeownership, and Special Loan Programs. A portion of the funds also will be allocated to an Innovations Fund to be awarded competitively to stimulate ideas, test new ideas in housing, initiate pilot programs, and support

promising projects that cannot be or do not need funds under CDA's current housing programs.

4. Chuck Middlebrooks from the Employment and Training Division of the Department of Employment and Economic Development discussed the role of the three offices which comprise the Division of Employment and Training. He described the major functions of the division as job creation and job placement.

The Office of Employment Insurance administers the Unemployment Insurance Fund which pays benefits to covered workers who become unemployed. Currently 95% of all employment is covered under UNEI. This means that approximately 110,000 employers and 2,100,000 workers in the state are covered. Payments to unemployed workers are based on their earnings during the four quarters of the base year. The minimum benefit is \$25 weekly and the maximum is \$223. The maximum term for receipt of benefits is 26 weeks; however, with extended benefits in force, the current maximum period is 46 weeks. During 1992, approximately \$500,000,000 in benefits was paid.

The Office of Employment Services is responsible for workforce readiness. The primary training programs administered by this office are JTPA (Job Training Partnership Act) and JOBS (Job Opportunities and Basic Skills) which is administered jointly with DHR as Project Independence.

Office of Employment and Training performs grant management for the JTPA program which is administered through SDA's (Service Delivery Areas) and PIC's (Private Industry Council). These local entities manage the programs in their geographical area. Individuals have to be economically disadvantaged in order to participate in JTPA. The primary components of which are the Summer Youth Program and the Dislocated Worker Program.

5. Deanna Phelps, Director of the DHR Office of Project Independence Management, handed out a packet and gave a presentation regarding Project Independence.

The Family Support Act of 1988 required states to establish and operate a Job Opportunities and Basic Skills program. Project Independence (PI) was implemented in July 1989, the earliest point when JOBS could be implemented. Maryland was among the first states to implement and the first to have their JOBS State Plan approved.

Under PI, AFDC recipients are expected to participate in activities to make them employable. Fifty-five percent of the JOBS funds must be spent in target groups, young and teen parents and long term welfare recipients.

PI is a capped entitlement and funds are not adequate to serve all mandatory recipients. Presently, PI is not a parallel system to other job training programs and efforts are being made to integrate it with other training programs. There are 12,000 to 13,000 participants in PI at any time and 8,000 recipients have been placed in jobs since the program began.

Overview of Means Tested Programs in Maryland

This presentation was given by Jane Stavely and Scott Cody of the University of Baltimore Regional Economic Studies Program (RESP).

Jane Stavely gave a broad overview of the cost of 98 Means Tested programs in Maryland. The findings of this study are preliminary. Jane's presentation was a summarization of the hand-outs titled, Tables A.1. Through A.4. and Tables B.1. Through B.4..

The study shows the cost of Maryland Government Means-Tested Programs not targeted at Specific groups for FY 1991.

Mr. Linehan was interested in whether an individual cost per client in Medicaid could be obtained from this study. Dr. Conte (RESP) indicated that the study was not set up to precisely pull out those indicators because of overlapping programs. He did say however, that an attempt would be made to produce that information.

OTHER BUSINESS

Mr. Civiletti asked the Commission's permission to sign a letter to President Mike Miller and Speaker Clayton Mitchell, requesting that welfare reform legislation, currently pending before the General Assembly, be deferred to allow time for the Commission's work. Interested Legislators will be invited to a portion of a meeting set aside for them.

Mr. Civiletti briefly revised the Draft Schedule, stating that the Initial Draft Report should be ready for public review the week after Labor Day. He also stated that we should publicize meetings outside of Baltimore City -- informing people of a "Participants Night" for recipients.

Mr. Sachs asked, "how well does the Department of Human Resources serve its clients?" Secretary Colvin responded that the Department served more than welfare constituents and that if the Commission does its job, people won't get to welfare.

The meeting was adjourned at 8:19 P.M.

The next meeting of the Governor's Commission on Welfare Policy will be Tuesday, March 23, 1993 at 4:00 P.M. at the University of Baltimore, Schaefer Center, at the corner of Saint Paul and Mount Royal.

MINUTES
GOVERNOR'S COMMISSION ON WELFARE POLICY
March 23, 1993

Present:

Benjamin, Georges	Mannion, Patricia
Bobo, Elizabeth (for Colvin)	Obrecht, Charles
Bond, Calhoun	Massey, Keith (for Pines)
Civiletti, Benjamin	Sachs, Leonard
D'Alessio, Frederick	Smith, Harold
Evans, Dallas	Stith, Rosetta
Folkemer, John (for Sabatini)	Tolbert, Constance
Jones, Dana	Wood, Marcus
Leviton, Susan	
Linehan, Earl	

Absent:

Hoffman, Barbara
Murray, Ethel
Perkins, Thomas

Chairman Civiletti opened the meeting of the Governor's Commission on Welfare Policy at 4:23 P.M. He asked for a motion to accept the addendum to the Minutes of the meeting of February 23, 1993. It was properly moved and seconded that the addendum would be approved. The minutes of the March 9, 1993 meeting were held open for comments to the Commission staff.

Mr. Civiletti announced that letters had been sent to Senate President Mike Miller and Speaker of the House Clayton Mitchell, asking that any legislation dealing with public assistance pending before either chamber be deferred until after the Commission has had a chance to research and study related issues. Currently there are approximately six bills that meet these criteria.

There will be one half hour allowed at the end of each meeting for public testimony. Each testimony should be no more than five minutes in length. If additional time is needed, supplemental testimony should be submitted in writing.

Draft schedule dated March 15, 1993 was reviewed. The draft schedule can be divided into four categories:

1. Learning/Informational Phase
2. In depth Review/Focus on Central Issues
3. Deliberations on proposals/recommendations -- processed or philosophical
4. Consensus/Improvements or changes/decision making or drafting/rationale for whatever is recommended

A copy of the report will then be released in time for public comment and suggestions. Please refer to the draft schedule for the date of the final meeting on the preliminary report.

After May 11 - note whether we should schedule public hearings to be further enlightened before in depth review. Concern was expressed that despite hard work, without public hearings, Commission may not have the benefit of thoughts and ideas from constituencies.

Commissioner Obrecht stated that there are no benefits to public hearings without something on the table -- until there is something for people to react to.

Mr. Civiletti has received communications from well wishers, with articles, none from large constituency groups. Letters given to staff. When letters are received by Commission members they should be answered and a copy sent to the staff. Staff will do any necessary follow-up work.

Pharmacy Assistance

John Stewart, Assistant Director, Medical Care Operations Administration, gave a presentation on the Maryland Pharmacy Assistance Program (MPAP).

Maryland is one of nine states which have a pharmacy assistance program and the only state that provides pharmacy assistance to individuals who are not elderly or disabled. The program was established by the legislature in the 1978 session and was implemented in 1979. The object of the program is to provide assistance to individuals who are not eligible for Medical Assistance. MPAP benefits are limited to certain maintenance drugs used to treat long term illnesses, anti-infective drugs (such as AZT), insulin, syringes and needles. The scope of coverage under the program has been considerably reduced since MPAP was implemented and, in 1991, coverage was reduced to the current levels. Only prescription formulary drugs are dispensed. A brand name will be dispensed if the prescribing doctor considers it to be medically necessary.

Eligibility for MNAP is determined based upon information contained in a four page application which may be submitted by mail or in person. Approximately 90% of the applications are taken by mail or telephone. Income and assets are verified and eligibility is usually determined within 14 days of receipt of the application by DHMH. The MPAP card is usually received by the client within a week of eligibility establishment. The maximum income level is increased annually and is currently \$8,000 for a one person unit while the maximum asset level is \$3750 for a one person unit. (97% of all MPAP units contain one person.)

The MPAP population has increased since the program's implementation in 1979. In 1979, there were 4,800 cases. By November, 1992, there were 16,000 cases. In December, 1992, the population increased to 44,450 as the result of the transfer of 27,000 former MASO (Medical Assistance State Only) recipients into the program. When the MASO program was eliminated for budgetary reasons, those recipients were automatically transferred to the MPAP program.

Recipients are responsible for paying a \$5.00 co-pay for each prescription. Originally, in 1979, the co-pay was \$1.00 which was increased to \$4.00 in 1991, resulting in savings of \$1,300,000.

Some demographic and statistical information was given:

- The majority of the enrollees are people aged 64 or over.
- Participation of the 21 to 44 aged group has increased as a result of the MASO elimination.
- 27% of MPAP recipients are Medicare eligible.
- 55% are female. 75% were female in 11/92. The change results from the MASO elimination.
- 97% are one person units.
- Average annual cost per recipient is \$497.53 (was \$278 in FY '82.)
- Average per prescription cost is \$25.77 (was \$10.80 in FY '82).

POS (point of sales) technology is utilized in MPAP statewide. This reduces the cost of processing claims and enables DHMH to conduct utilization reviews.

Dr. Stith asked if hospital pharmacies filled MA or MPAP prescriptions. She pointed out that if a prescription is not filled at the hospital, the client would not get it filled if they had to go somewhere else. Mr. Stewart answered yes, if the hospital participates in MPAP.

Commissioner Susan Leviton asked why the MPAP application is easier than the PA application and if DHR/DHMH databases are compatible. John Stewart indicated that income and asset information is verified, but the information needed is more detailed than the public assistance. MPAP uses the same database as medical assistance, MMIS (Medicaid Management Information System) but there is no link with DHR systems. Implementation of

the new DHR system CARES, (Clients Automated Resource and Eligibility System) will provide a link between the DHMH and DHR systems.

Focus Groups

The Institute for Urban Research at Morgan State University directed by Dr. Robert Hill has been contracted, under the auspices of the Welfare Policy Institute supporting the Commission, to conduct Focus Groups. Realizing that the Commission would not be able to hold as many public hearings as would be desirable, these groups are designed to focus on specific issues of interest to the Commission to find problems, solutions, issues, concerns, otherwise not available. At the sessions of the Focus Groups the Institute in no way represents the Commission. It will only report its findings to the Commission. Dr. Hill wanted the Commissioners to identify issues that should be focused on and to suggest Focus group composition.

The Commissioners suggested the following issues:

- Access -- difficulty of current processes
- Barriers -- to self-sufficiency
- Stigmas -- felt by adolescents
- Incentives -- how system currently structured or changes needed to motivate to search for lower costs

The Commissioners suggested the following groups:

- Line income maintenance workers
- Teachers
- Low income groups not on public assistance, specifically asking why/how they are not on public assistance.

Dr. Hill noted that in the current round of activity there will be six Focus Groups with a total of 15 people per group.

At 5:45 P.M. the Commission took a 30 minute break. Following the break, Mr. Civiletti informed the Commission of a conflict in schedules, suggesting a change in two of the upcoming meeting dates. It was agreed that the Tuesday, April 27, 1993 meeting would be changed to Wednesday, April 28, 1993. The Tuesday, May 11, 1993 meeting would be changed to Tuesday, May 4, 1993. The times of the meetings will remain the same.

Elizabeth Bobo suggested that due to time restraints the Child Support segment of the agenda would be postponed to the next meeting.

An organizational chart of the Department of Human Resources was made available to the Commission members to help them understand the make-up of the divisions within the department.

Programs of the DHR - Child Care Administration:

Ms. Bobo explained that Barbara Smith-Hamer was unable to attend the meeting due to illness. Her administration would be represented by Linda Zang.

Ms. Zang gave a comprehensive overview of the Child Care Administration. She emphasized the Administration was created to foster the development of safe and affordable child care for Maryland's families by, promoting quality child care services and subsidizing the needs of eligible families.

The general organizational structure of the agency is divided into four units.

- PROGRAM STANDARDS UNIT
- PROGRAM DEVELOPMENT UNIT
- PROGRAM SUPPORT UNIT
- LICENSING UNIT

Working Mother magazine declared Maryland among the 10 best states in the provision of child care services. For the following reasons:

- Increase of 11% in registered family child care and licensed center based child care since 1991.
- Increase in Purchase of Child care subsidy program from \$17.7% million in SFY 1989 to \$53.3 million SFY 1993.
- The private-public partnership between DHR and Maryland Committee for children continues as the Maryland Resource Center Network in its fourth year of operation.
- Increase of availability was made possible thru \$30 million in Development Block Grants. Due to these funds:
 - Provider rates were raised to approach market rates
 - 23 loans were made to child care center providers
 - Financial support was provided to 360 family child assist in meeting regulations.
 - \$1.6 Million was provided to increase service for before and after school child care.
- Amnesty Campaign resulted in 600 illegal child care providers making application to become registered providers.

Additional funding sources were also discussed: IV-F Jobs funds, transitional child care for AFDC, State funds.

Types of care were reviewed:

- Informal Child care
- Regulated Child care

Regulations for eligibility and licensing in handouts given to the Commission were reviewed.

Funding issues noted in the handouts affecting the Child Care Administration were also mentioned.

A series of questions regarding eligibility, demographics, literacy, criminal background investigations, funding, rates, etc. were also addressed.

Programs of the Social Services Administration:

Fern Blake and Peggy Stubbs presented the overview from the Social Services Administration.

Fern Blake discussed: The Foster Care Program

Foster Care - being a short-term service for children who have been abused, neglected or abandoned and require out-of home placement. The purpose of this program is to provide services to families to promote reunification, alternative permanency planning, and to provide services to children addressing their special needs.

Foster care caseloads in Maryland are not on the rise. Family Preservation Program has enhanced the quality of service we are providing clients and preventing caseload increases.

Commissioner Susan Leviton asked, "How can the state justify giving foster care parents a higher grant than the actual AFDC payment a natural parent would receive? If we say we believe in mothers and families how can the state justify this issue?"

Peggy Stubbs discussed: Title IV-E Program

Title IV-E Program allows a claim of federal matching funds to reimburse the state for costs of maintaining eligible children in foster care and subsidized adoption placements. Children that would be eligible for AFDC if they were in their homes are eligible if they meet other criteria.

Discussions regarding caseloads numbers, length of stay, costs, prevention were entertained.

Ms. Blake explained how children are placed in foster care. Reasons such as home is unsafe, abuse, and abandonment. She emphasized that the Departmental priority is to prevent foster care and work with the family. The Department looks to place children with extended family members, and only as a last resort, adoption.

Commissioner Susan Leviton pointed out some of the more difficult issues surrounding licensing for home placements. In particular, she mentioned the one where relatives of children who could get IV-E Foster Care rates instead of AFDC but cannot because of foster care standards for family income, number of bedrooms, etc.

Fern Blake explained: Adoption

The adoption program includes studying and evaluating children to be adopted and prospective adoptive families, recruiting adoptive families, and providing post-adoption services.

Commissioner Dana Jones pointed out the tedious length of time it takes to adopt children within the Maryland court system. Highlighting the tremendous burden and strain that falls upon the adopting family.

The meeting was adjourned at 8:03 P.M. The next meeting is scheduled for April 13, 1993 at 4:00 P.M. at the University of Maryland Law Center.

Discussions were held with the various agencies involved in the adoption process, including the Department of Social Services, the Department of Health, and the Department of Education.

Mr. Blake explained how children are placed in foster care. Reasons such as abuse, neglect, and abandonment are emphasized. The Department of Social Services is responsible for the placement of children with extended family members, and only as a last resort, placement in foster care. The Department of Social Services is responsible for the placement of children in foster care.

Commissioner Green pointed out some of the more difficult issues involved in the adoption process. He mentioned the fact that the Department of Social Services is responsible for the placement of children in foster care. He also mentioned the fact that the Department of Social Services is responsible for the placement of children in foster care.

Mr. Blake explained the adoption process.

The adoption process involves studying and evaluating children to be adopted and providing post-adoption services. The Department of Social Services is responsible for the placement of children in foster care.

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GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes

April 13, 1993

Present:

Benjamin, Georges
Bond, Calhoun
Civiletti, Benjamin
Dillon, John (for F. D'Alessio)
Evans, Dallas
Hoffman, Barbara
Jones, Dana
Leviton, Susan
Linehan, Earl

Mannion, Patricia
Obrecht, Charles
Perkins, Thomas
Pines, Marion
Sachs, Leonard
Smith, Harold
Stith, Rosetta
Tolbert, Constance

Absent:

Murray, Ethel
Wood, Marcus

(Commission member Nelson Sabatini was a presenter.)

The meeting was opened by Chairman Civiletti at 4:24 P.M. The minutes of the meeting of March 23, 1993 were approved subject to any future correction. Mr. Civiletti reiterated that there would be opportunity for the public to speak at the end of the meeting. He also informed the Commission that a letter had been sent to Governor Schaefer as a status report on what the Commission had done and the schedule of future meetings. The Commission will begin assessing in the meeting of April 28, 1993, what issues would be given close analysis and detailed work either by the Commission as a whole or by a sub-group.

Department of Health and Mental Hygiene (DHMH) Review

Nelson Sabatini, Secretary of the Department of Health and Mental Hygiene introduced Bob Eastridge, Deputy Secretary for Public Health Services, and John Folkemer, Deputy Director Medical Care Policy Administration.

DHMH has three major components:

- 1) Operations (administration, personnel, training)
- 2) Public Health Services
- 3) Health Regulation and Policy (administration and delivery of medical assistance programs)

The overall departmental budget is about \$3,000,000,000. Of this amount, about \$2,000,000,000 is spent on medical assistance programs. There are two types of medical assistance programs:

- 1) Federal/state Title XIX programs which are 50/50 funded
- 2) State funded programs
 - a) Kidney program-\$7,000,000-a "wrap around" program which covers services not covered by Medicare
 - b) Pharmacy Assistance

The former MASO (Medical Assistance State Only) program has been eliminated incrementally over a period of several years. Until 1992 the State provided State-only Medicaid. This program was structured very close to the federal program. The eligibility requirement was that a person be poor and something else, i.e. poor and blind, poor and old, poor and disabled. There is no longer a State-only Medicaid Program. Costs for this program reached \$110,000,000 to \$120,000,000 prior to complete elimination. Secretary Sabatini pointed out that MASO "savings" were largely the result of cost shifting. Services previously provided by MASO are still being provided by uncompensated hospital care and increased participation in Title XIX services. The shift has been to those who have health insurance and the Federal MA Program.

The relationship of DHR/DHMH rolls to economic conditions was discussed. Increased DHR/DHMH rolls preceded the recent period of economic decline. Until two years ago, enrollment remained steady. 8 years ago the cost of the program was \$450 million, it now costs \$2 billion with 435,000 people eligible. The growth of the Medical Assistance program parallels the growth of the public welfare roles and are the best indicators of economic downturns. Statewide, one person in ten is eligible for Medicaid. In Baltimore City, one person in four is eligible. Ten percent (10%) of the Medicaid population consumes seventy percent (70%) of the services. Elderly persons in nursing homes and the severely disabled utilize the majority of Medicaid services. A group of 910 individuals consumed \$143,000,000 in health care services.

Secretary Sabatini discussed the close working relationship between DHR and DHMH. DHR is contracted to perform Medicaid eligibility determinations. The impact of DHMH policy decisions on DHR is carefully considered.

Mr. Eastridge discussed Public Health Services and presented an organizational chart and write-ups on the major programs. The target population for Public Health Services is the Medicaid/Medicare population and "gray area" (working poor) population. Public Health Services serve 3,200 patients in 17 different institutions and 750,000 individuals in the community.

Commission members had a number of questions and comments responded to by Secretary Sabatini and Mr. Eastridge. Their principle clarifications/expansions were:

- Maryland has done more creative things than any state in the country with regard to MA Waivers. We have an all-payers system that puts money into uncompensated care. Some waivers are pending to extend services to children. We are not facing cuts in Federal funds.
- \$400,000,000 is spent for nursing home care. The state is paying for all or part of the care for 17,000 to 18,000 individuals.
- Efforts are being made to link the MA population with a provider. Health care is a right which must be exercised in a responsible fashion. There is duplication of the population served by major Cabinet agencies. The DHR/DHMH population is the same and 70 to 85% of the youth in the Department of Juvenile Services' population are also in the DHR/DHMH population. Many members of the population need help in managing their lives not just health care. Secretary Sabatini expressed concern that the health care system is being over used to deal with social problems.
- The impact of proposed Clinton health care changes on DHMH programs is unknown at this time.
- The population (3,200) in institutions is the average daily population. Psychiatric hospital stays are generally short term, acute, episodic stays of 30 to 60 days. Stays in Developmental Disabilities facilities are frequently life-time. Currently half of the DDA budget is for community based facilities.

At 5:45 the Commission took a short break.

At 6:42 the Commission members ended their break and resumed the meeting with a presentation by Gene Bartell, Executive Director of the Community Services Administration. Mr. Bartell began his presentation by going over the organizational chart of the Department of Human Resources. The Maryland Energy Assistance Program falls under the Community Services Administration. This program receives 100% of its public funding from the federal government and is administered by the State. Combined with its private funding the Maryland Energy Assistance Program has a budget

This Program serves low income households with a primary objective of getting the benefit to the recipient. The payment is by voucher going directly to the vendor providing the service. The 1993 season served approximately 90,000 households or 200,000 individuals with a benefit amount of \$240. Benefit amounts have varied between \$340 and \$240. The benefit amount is determined by the state of the economy and weather conditions. Thus far no one has been denied energy assistance if they are eligible. Dana Jones pointed out that to serve more people the benefit level is decreased.

The Program is administered by a combination of 20 not for profit community based providers and local departments of social services, located throughout the State. The types of people that receive the service are 28% employed or unemployed, 27% AFDC recipients and 28% recipients of Social Security benefits.

Eligibility is based on the following:

- elderly or disabled and live on a small income
- receive Public Assistance, Supplemental Security Income, or Food Stamps
- work for low wages or are unemployed
- receive certain Veterans or Social Security disability benefits
- are a homeowner or a renter (roomer or boarder) regardless of whether you pay your heating costs

Income eligibility standards are as follows:

Household size	Maximum monthly income
1	\$ 851
2	1,149
3	1,446
4	1,744
5	2,041
6	2,339

The same application used for energy assistance funds is also used for the Weatherization Program. Utility Service Protection is another service that is provided through the Energy Assistance application process. This service prevents utility cut-off and helps establish payment stabilization. At the beginning of the heating season, applications are mailed out to the elderly and disabled.

The utility companies reimburse MEAP and the money is used to meet crisis situations. In 1992 \$165,000 was received in reimbursement. Two crisis centers have opened in Baltimore City. These centers provide services through the combined service of the Fuel Fund, the Energy Assistance Program and the Baltimore Gas and Electric Company.

An issue that was raised by Commission members was bulk purchasing. The State gets a 3% discount on oil purchased. A greater discount has not been pursued because of the strong lobby of the oil industry and the potential loss of hidden services provided by the vendors to the customers.

Another issue raised was that of the same people being served every year and being beneficiaries of various programs. Suggestions for remedy included education, counseling, and elimination of recertification because the reapplication process for these services is a duplication of effort when the State has already deemed them eligible in other programs.

Carolyn Colvin brought out the point that while the client population has increased, the workers serving them have decreased. This makes many client services difficult to provide without additional resources.

Finally, the Eviction Prevention Program was presented by Mr. Bartell. This program shares a \$1 million budget with the Burial Assistance program. Whatever funds are left over at the end of the fiscal year from the Burial Assistance Program are automatically transferred into the Eviction Prevention Program. The Eviction Prevention Program only serves people who are at risk of eviction or are facing eviction. It is not for the homeless. The funds are distributed through the local departments of social services and they determine who will administer the funds. The benefit amount varies between \$100 and \$500 per month. A jurisdictional breakdown of funds was requested by the Commission and has been provided.

Food Stamps

Mick Allman, Director of the Food Stamp Division at DHR/IMA gave a presentation on the food stamp program.

Participation in the food stamp program has steadily increased since 1988 until a record 26.8 million Americans received food stamps in January, 1993. One American in every 10 receives these benefits and food stamps are frequently referred to as "America's second currency."

A food stamp program of some type has been in existence since the Depression Era; however, food stamps was not established as a national program until 1975. The program is funded and regulated by the Food and Nutrition Service of the U. S. Department of Agriculture.

Food Stamp eligibility is determined as part of the application process in local departments of social services. Clients may be eligible for food stamps alone or in addition to other benefits. Individuals who have no income in the month of application are eligible for expedited service and may receive benefits within 5 days.

During October, 1992, there were 147,00 participating households in the state. Total benefits issued were \$27,653,903 with an average benefit of \$.89 per meal per individual.

Electronic Benefit Transfer (EBT)

EBT is replacing paper documents (checks and food stamps) as the method of benefit issuance. Implementation of this system will be completed statewide this month.

Clients access benefits through use of a debit card, the Independence Card. Cash may be obtained at any MOST terminal and food benefits through a point of sale (POS) device in participating grocery stores.

Implementation of EBT has enabled clients to more effectively manage their grant as benefits can be withdrawn as needed instead of in a lump sum.

Barbara Hoffman also related an example of how EBT changes the food shopping behavior of recipients. With EBT, clients spread food purchasing over a longer period than with food stamps.

Public Comment

Bernadette Devon, a member of a recipient group for welfare reform, commented on the fact that there are no current welfare recipients on the Commission. She feels that current recipients are needed on the Commission to speak for recipients, as Commission members do not understand the system. Her group visited Mr. Civiletti and sent a letter requesting inclusion of two recipients on the Commission as adjunct members. He indicated that he would respond around April 19, 1993.

GOVERNOR'S COMMISSION ON WELFARE POLICY
MINUTES - APRIL 13, 1993

PAGE 7

Andrew Cannon, a member of the Baltimore Homeless Union, spoke about ways in which welfare recipients are discriminated against. For example, he stated that inner city merchants raise prices during the period in which benefits are received, the 29th through the 15th of the month and hospitals give MA recipients less attention.

Ms. Devon reemphasized the need for current clients to be members of the Commission in order to provide meaningful input. The issue was not resolved.

The meeting adjourned at 8:17 P.M.

The next meeting will be held Wednesday, April 28, 1993.

The first of the month and hospital give me residents less attention.

The meeting was held at 8:30 A.M.

The next meeting will be held on May 13, 1993.

The meeting was held at 8:30 A.M.

The meeting was held at 8:30 A.M.

The meeting was held at 8:30 A.M.

The meeting was held at 8:30 A.M.

The meeting was held at 8:30 A.M.

Governor's Commission on Welfare Policy

Minutes - April 28, 1993

Present:

Benjamin, Georges	Mannion, Patricia
Bobo, Liz (for Carolyn Colvin)	Obrecht, Charles
Civiletti, Benjamin	Perkins, Thomas
D'Alessio, Frederick	Pines, Marion
Folkemer, John (for N. Sabatini)	Sachs, Leonard
Hoffman, Barbara	Smith, Harold
Leviton, Susan	Stith, Rosetta
Linehan, Earl	Tolbert, Constance
	Wood, Marcus

Absent:

Bond, Calhoun
Evans, Dallas
Jones, Dana
Murray, Ethel

The meeting was opened by Chairman Civiletti at 4:15 p.m. The minutes of the meeting of April 13, 1993 were approved subject to correction.

Cash Assistance Programs of the Department of Human Resources

Timothy Griffith, Executive Director of the Income Maintenance Administration (IMA) introduced the presentations on cash assistance programs. IMA has primary responsibility for administering the cash assistance programs which are traditionally considered "welfare" programs. The two main programs of cash assistance are Aid to Families with Dependent Children (AFDC) and Disability Assistance and Loan Program (DALP). Mr. Griffith stressed that, although the state administers several distinct cash assistance programs, all programs are inter-linked and tinkering with AFDC had implications for all other programs and also had effects on other systems, such as the employment, medical and educational systems.

DALP - Mick Allman

The Disability Assistance and Loan Program (DALP) was implemented in May, 1992, as a result of cost containment efforts which lead to the restructuring and renaming of the 100% state funded General Public Assistance program. Programmatic changes were expected to result in a 25% reduction of the former GPA caseload. DALP serves needy adults who are totally disabled for a period of at least three months. Individuals who have short term disabilities (3 to 11 months) are required to sign a repayment agreement. Clients who are disabled for 12 months are required to apply for Supplemental

Governor's Commission on Welfare Policy

Minutes - April 18, 1981

Present:

Ward, Wayne
Tolbert, Clarence
Stich, Rosella
Smith, Harold
Sachs, Leonard
Rosen, Nelson
Fink, Thomas
O'Brien, Charles
Hanson, Patricia

Levinson, Earl
Levinson, Susan
Bulman, Barbara
Polkman, John (for M. Babatini)
D'Alessio, Frederick
Civiletti, Benjamin
Rode, Sir (for Carolyn Colvin)
Tentonia, George

Absent:

Murray, David
Jensen, Dan
Evans, Bill
Sund, Calvin

The meeting was opened by Chairman Fink at 8:15 p.m. The minutes of the meeting of April 13, 1981 were approved subject to correction.

Cash Assistance Programs of the Department of Human Resources

Timothy Griffin, Executive Director of the Income Maintenance Administration (IMA) introduced the presentation on cash assistance programs. IMA has primary responsibility for administering the cash assistance programs which are traditionally considered "welfare" programs. The two main programs of cash assistance are Aid to Families with Dependent Children (AFDC) and Disability Assistance and Loan Program (DALP). Mr. Griffin stressed that although the cash assistance system is a traditional assistance program, all programs are inter-linked and interacting with AFDC and implications for all other programs and also had effects on other systems, such as the employment, medical and educational systems.

AFDL - Work Allowance

The Disability Assistance and Loan Program (DALP) was implemented in May, 1975, as a result of cost containment efforts which led to the restructuring and reorganizing of the 100% state funded General Public Assistance Program. Programmatic changes were expected to result in a 55% reduction of the former GFA caseload. DALP serves needy adults who are totally disabled for a period of at least three months. Individuals who have short term disabilities (i.e. 12 months) are required to sign a repayment agreement. Clients who are disabled for 12 months are required to apply for Supplemental

Security Income (SSI). They are also eligible for Federal Medical Assistance (FMA). The elimination of the state funded Medical Assistance - State Only (MASO) Program in December, 1992, resulted in the suspension of DALP's health care and obtaining of treatment requirements.

A number of issues were raised by the Commission members:

- 1) Provisions made for health care for disabled persons with a condition that will last over 12 months awaiting SSI. Five to six thousand DALP recipients now receive Federal Medical Assistance (FMA) benefits. DHMH is restoring \$13,000,000 for health care benefits for clients previously covered by MASO. An RFP has been prepared which solicits bids for providing these services state-wide.
- 2) The Disability Entitlement Advocacy Program (DEAP) is targeted to assist DALP recipients in the pursuit of Federal benefits. The current DEAP vendor, Health Management Associates (HMA), tracks cases through the SSI process and provides assistance in the appeals process. Senator Hoffman requested further information and statistics regarding DEAP. These will be obtained and given to the Commission.
- 3) The Legislature has problems with the loan component of DALP. Most DALP recipients are unable to repay these funds and it is unrealistic to expect them to make restitution for assistance received.
- 4) Twenty two percent of DALP recipients have alcohol abuse problems while 16% are drug abusers. There are insufficient resources for treating substance abuse and these problems have been exacerbated by the elimination of MASO.
- 5) The relationship between the cost of alcohol and drug abuse and prevention efforts was discussed. While FMA will pay for the cost of rehabilitative services, there is a problem with a lack of treatment resources.

AFDC Research - Dr. Cathy Born

Dr. Cathy Born, University of Maryland School of Social Work, has been conducting research on AFDC in Maryland for over 10 years. AFDC is the largest and most controversial welfare program. In spite of all the welfare reform and change initiatives which have taken place, the fundamental purpose of AFDC remains the same as in 1935 - to provide financial assistance to dependent children who are deprived of parental support by virtue of the death, incapacity, unemployment or absence of at least one parent.

Security (1991). They are also eligible for Federal Medical Assistance (FMA). The administration of the State Medical Assistance - State Only (SMO) Program is December, 1991, resulting in the suspension of DASH's health care and operating its treatment programs.

A number of issues were raised by the Commission members:

1. Provisions made for health care for disabled persons with a condition that will last over 12 months awaiting SMO. Five to six thousand DASH recipients now receive Federal Medical Assistance (FMA) benefits. DASH is requesting \$1,000,000 for health care benefits for clients previously covered by SMO. An RFP has been prepared which solicits bids for providing these services state-wide.

2. The Disability Enrollment Advocacy Program (DEAP) is designed to assist DASH recipients in the pursuit of Federal benefits. The current DEAP vendor, Health Management Associates (HMA), tracks cases through the SMO process and provides assistance in the appeals process. Senator Bolten requested further information and statistics regarding DEAP. These will be obtained and given to the Commission.

3. The Legislature has problems with the local component of DASH. Most DASH recipients are unable to repay these funds and it is unrealistic to expect them to make provision for assistance received.

4. Twenty two percent of DASH recipients have alcohol abuse problems while 18% are drug abusers. There are insufficient resources for treating substance abuse and these problems have been exacerbated by the elimination of SMO.

5. The relationship between the cost of alcohol and drug abuse and prevention efforts was discussed. While the State will pay for the cost of rehabilitative services, there is a problem with a lack of treatment resources.

DEAP Program - Dr. Cathy Bohn

Dr. Cathy Bohn, University of Maryland School of Social Work, has been conducting research on DEAP in Maryland for over 10 years. DEAP is the largest and most controversial welfare program in the state of all the welfare reform and change initiatives which have taken place. The fundamental purpose of DEAP remains the same as in 1991 - to provide financial assistance to dependent children who are deprived of parental support by virtue of the death, incapacity, unemployment or absence of at least one parent.

AFDC is a Federal\State program with each paying 50% of program and administrative costs. The Federal government sets the basic program requirements and the state sets the benefit levels. The majority of AFDC recipients are children under 18. Of these children, the majority live in single-parent, female-headed households. AFDC recipients live in all jurisdictions of the state. The proportion of the AFDC population which lives in the city is decreasing. During the recent period of expansion, most caseload growth took place in suburban counties. Fifty percent of the AFDC population still live in Baltimore City.

Dr. Born then discussed caseload characteristics and related issues:

- 1) Family size - typically small. A mother and one child is the most common unit size and a mother and two children the second most common.
- 2) Ages of AFDC mothers and children - typically the mother is a woman in her 20's. Fewer than 10% are over 40 and 5% are under 20. These figures refer to heads of AFDC households and exclude females who get benefits in someone else's grant. It is unusual for a mother under the age of 18 to be the head of the AFDC case. References to women already on AFDC are skewed in the direction of older recipients. First time recipients of AFDC are younger. Eighteen is the most common age with 40% of new cases under 21 and two thirds are 25 and under.
- 3) One out of three cases is headed by a teenage mother and the pregnancy was unplanned. Fifty percent of new applicants are second generation teenage mothers. One half of all women heading AFDC households began child bearing as teenagers. Women who are under 22 when they first go on AFDC stay on longer. The adverse effect of the receipt of AFDC on school attendance was also mentioned by Dr. Stith.
- 4) Children - 60% of all child recipients are pre-schoolers; 75% of children in first time AFDC households are pre-schoolers. One half are under age three.
- 5) Employment and education - The vast majority of AFDC recipients have some history of employment. Most of the employment has been in undesirable, low-paying jobs. Most do not work while on AFDC. The AFDC mother typically has a high school education. In 1969, only 16% had completed high school. The proportion of high school dropouts is going down.

AFDC is a Federal/State program with each paying 50% of program and administrative costs. The Federal Government sets the basic program requirements and the state sets the local level. The majority of AFDC recipients are children under 18. Of these children, the majority live in single-parent, female-headed households. AFDC recipients live in all jurisdictions of the state. The proportion of the AFDC population which lives in the city is decreasing. During the recent period of expansion, most assigned growth took place in suburban counties. Fifty percent of the AFDC population still live in Baltimore City.

It has been then discussed various characteristics and related factors:

1) Family size - typically small. A mother and one child is the most common unit size and a mother and two children the second most common.

2) Age of AFDC mothers and children - typically the mother is a woman in her 20's. Fewer than 10% are over 30 and 1% are under 10. These figures refer to heads of AFDC households and exclude females who are female in someone else's family. It is unusual for a mother under the age of 18 to be the head of the AFDC case. References to women already on AFDC are shown in the direction of other recipients. First time recipients of AFDC are younger. Eighteen is the most common age with 40% of new cases under 21 and two thirds are 25 and under.

3) One out of three cases is headed by a teenage mother and the percentage has increased. Fifty percent of the applicants are second generation female mothers. One half of all women heading AFDC households began child bearing as teenagers. Women who are under 25 when they first go on AFDC stay on longer. The average length of the receipt of AFDC on school attendance was also mentioned by the staff.

4) Children - 60% of all child recipients are pre-schoolers. The of children in first time AFDC households are pre-schoolers. One half are under age three.

5) Employment and education - The vast majority of AFDC recipients have some history of employment. Most of the employment has been in unstable, low-paying jobs. Most do not work while on AFDC. The AFDC mother typically has a high school education. In 1989, only 1% had completed high school. The proportion of high school graduates is going down.

- 6) Deprivation factor - In 1935, death was the most common deprivation factor. Today, death is the deprivation factor in only 2% of the cases. Today never married parents constitute one half of all cases. With first time recipients, this proportion is 60%.
- 7) Length of AFDC stay - It is difficult to determine the actual length of stay on AFDC due to the way case closings and reopenings are counted. If one counts from the time of the last case opening, one finds that one third of all cases are on AFDC less than one year, one fifth are on between one and two years, and twenty percent are on for five years or more. Dr. Born identified two separate subgroups of AFDC recipients who have different characteristics and needs:
 - a) Individuals who use AFDC on an episodic, intermittent basis usually in response to a crisis situation.
 - b) Long term recipients who go on AFDC and stay on. Risk factors for this group include: second generation teen mother, less than high school education, unmarried at child's birth, limited or no full-time work experience, and three or more children.

Dr. Born concluded by pointing out that there is no single solution to the welfare dilemma and that AFDC families are only a subset of poor families.

During the course of Dr. Born's presentation, there was a discussion of the limitations of the current computer system on data collection, CARES implementation and statewide computer systems in general. DHR is currently working on three major statewide computer systems at the same time - the CCAMIS (Child Care Management Information System), CSES (Child Support Enforcement System), and CARES (Client Automated Resource and Eligibility System). There is no centralized accountability for computer systems on an interdepartmental or a statewide basis; however, the state is now beginning to establish such a system under the Department of Budget and Fiscal Planning.

AFDC Program Policy - Beth Boyd

The basic rules for AFDC are in The Social Security Act. Maryland makes changes when Congress legislates them. Some options are available in the Social Security Act when changes are made: Congress makes changes, Health and Human Service writes regulations, The State issues through the Code of Maryland Regulation (COMAR) what corresponds with federal legislation and takes into account options available to the State.

Depression factor - In 1992, health was the most common depression factor. Today, health is the depression factor in only 25 of the cases. Today never ranked parents education one half of all cases. With this case recipients, this proportion is 50%.

Length of time - It is difficult to determine the actual length of stay on AFDC due to the way cases closing and reopening are counted. If the count from the time of the last case opening, one finds that one third of all cases are on AFDC less than one year, one fifth are on between one and two years, and twenty percent are on for five years or more. Of those identified two separate subgroups of AFDC recipients who have different characteristics and needs:

a) Individuals who are AFDC on an episodic, intermittent basis usually in response to a crisis situation.

b) Long term recipients who go on AFDC and stay on. First factors for this group include: school generation from mother, less than high school education, unemployed at child's birth, limited or no full-time work experience, and three or more children.

Both groups by pointing out that there is no single solution to the welfare dilemma and that AFDC families are only a subset of poor families.

During the course of Dr. Gott's presentation, there was a discussion of the limitations of the current computer system in data collection, CASES implementation and statewide computer system is essential. This is currently working on three major statewide computer systems at the same time - the COMAR (Child Welfare Management Information System), CASES (Client Automated Resource and Eligibility System). There is no centralized accountability for computer system on an interdepartmental or statewide basis. However, the state is now planning to establish such a system under the Department of Budget and Fiscal Planning.

AFDC Transfer Policy - Health Policy

The basic rules for AFDC are in the Social Security Act. Maryland has changes when Congress legislation then. Some options are available in the Social Security Act when changes are made: Congress makes changes, health and human service rules regulations. The state makes changes through the Code of Maryland Regulations (COMAR) which corresponds with federal legislation and takes into account options available to the state.

Basic rules must be administered the same way statewide unless we get a waiver. There is a combined application form for AFDC, Food Stamps, plus Medical Assistance. There must be a face to face interview, and proofs of eligibility. The worker must make a decision within 45 days (federal regulation, the State deadline is 30 days.) The applicant is notified in writing of decision on eligibility. Every applicant has the right to appeal the decision. Technical Factors must be met, then Financial Factors. The technical factors are:

1. Must have a child 0-18 years (the child can be beyond the age of 18 if graduating before 19th birthday - federal option)
2. Must be a United States Citizen or permanent legal alien
3. Must have a Social Security number or made application
4. Adult must be a specified relative - from parent to 1st cousin, once removed
5. Deprivation factor only relates to natural parents if 2 parents are in the home, one parent must be incapacitated for 30 days - precluded from performing normal work; unemployment - work history, totally unemployed or underemployed working less than 100 hours per month. Only 900 AFDC recipients meet the factors for AFDC Unemployed Parents (UP) in that they must be unemployed for more than 30 days and have applied for unemployment benefits and not been disqualified for them.

If child's parent is absent from the home, child support must be pursued. If parent refuses to assist in locating or identifying absent parent, the parent's needs are removed from the grant. Child support that is due is signed over to State. Upon collection, the first \$50, the AFDC "Bonus" is paid back to the AFDC family. This does not count against the grant, but does count as Food Stamp income.

Parents and children living together must be in the same assistance unit. Even if a parent does not want his child on AFDC (his money could make family ineligible or would have to pay money to child support); we, under federal law, must still include that child.

Since 1981, you cannot apply just for minor grandchild when own child is in the home.

If person is non-exempt, they must participate in Project Independence if requested.

If they pass the technical factors they then must pass financial factors. 1993 benefits are same as in 1988.

Standard of Need is the state's version of a poverty index. Our current SON was set in 1979 at \$603 for a family of 4 by a

basic rules must be identified and may vary according to the needs of the applicant. There is a combined application form for AFDC, Food Stamps, and Medical Assistance. There must be a face-to-face interview and proof of citizenship. The worker must make a decision within 45 days of the application. The State's decision is final. The applicant is notified in writing of the decision. Every applicant has the right to appeal the decision. Technical factors must be met, such as financial factors. The technical factors are:

1. Must have a child 0-18 years (the child can be beyond the age of 18 if attending before 18th birthday - Federal action)
2. Must be a United States citizen or permanent legal alien
3. Must have a Social Security number or make application
4. Adult must be a specified relative - from parent to 1st cousin, once removed
5. Dependent factor only related to natural parents is 1. Parents are in the home, one parent must be incapacitated for 90 days - provided from performing normal work; unemployment - work history, totally unemployed or underemployed working less than 100 hours per month. Only the AFDC recipient must be the factor for AFDC unemployed parents (or) an adult must be unemployed for more than 90 days and have applied for unemployment benefits and not been disqualified for them.

If child's parent is absent from the home, child support must be provided. If parent refuses to assist in locating or identifying missing parent, the parent's needs are removed from the grant. Child support that is due is assigned over to AFDC. Upon collection, the AFDC "bonus" is paid back to the AFDC family. This does not count against the grant, but does count as food stamp income.

Parents and children living together must be in the same residence unit. Even if a parent does not want his child on AFDC, his money could still be family income or would have to pay money to child support. AFDC (Federal) law must still include that child.

Since 1981, you cannot apply for AFDC until you have your own child in the home.

If person is non-exempt, they must participate in Project Independence if requested.

If they pass the technical factors they then must pass financial factors. 1981 benefits are same as in 1980.

Standard of Need is the state's variation of a poverty index. Current SNM was set in 1979 at \$203 for a family of 4 by a

Commission very much like the Welfare Policy Commission. It indicated subsistence level income of 12 years ago. In the State the SON is now used to set the payment level and has become an arithmetic function of the grant amount. The State uses the terminology Minimum Living Level to reflect a legislatively required annual update of the original SON of the Governor's Commission on Welfare Grants of 1980.

At 6:45 p.m. the Commission took a break.

At 7:20 p.m. the Commission reconvened, continuing the discussion of the Financial eligibility factors associated with AFDC.

Every month the recipient must pass a gross income test. Their income must not exceed 185% of the SON for their family size. The available resource limit is \$1,000. Unearned income is counted dollar for dollar. Earned income from self-employment is counted after costs of producing income is deducted. Deductions are standard deduction of \$90, child care is paid up to \$175 per month or if a child is under 2 years, child care maximum is \$200 per month, per child. Maximum child care deduction is \$100 if recipient is employed part time.

Since 1981 1/3 of newly employed person's income is disregarded for 4 months. The person must be off of assistance 12 months before can getting 4 month disregard again.

Step-parent is defined as a person who is not a parent of any child in the assistance unit; but is responsible for supporting in part the child in AFDC unit. A portion of income is not counted. Marriage is not an incentive, if the person in the home does not marry the parent, their income is not counted. If they marry the income would be counted.

Educational scholarships and loans are not counted against the grant.

Payments made to a third party on behalf of an assistance unit are not countable income. (Ex. Section 8, or if a friend pays the rent, gas and electric, etc.)

If a person becomes ineligible for AFDC because of income from earnings they are eligible for Medical Assistance for 1 year. If they exit due to increased child support Medical Assistance is extended for only 4 months.

Child Support Enforcement Administration (CSEA)- Meg Sollenberger

CSEA tries to provide financial support from the parent who is not in the home.

Commission very much like the Welfare Policy Commission. The indicated maintenance level, income of 12 years ago. In the State the SON is now used to set the payment level and has become an automatic function of the grant amount. The State uses the term "minimum living level" to reflect a legislatively required annual update of the original SON of the Governor's Commission on Welfare Grants of 1980.

At 7:45 p.m. the Commission took a break.

At 7:50 p.m. the Commission resumed, continuing the discussion of the financial eligibility factors associated with AFDC.

Every month the two-point test is given income test. Their income must not exceed 100% of the SON for their family size. The available resources limit is \$1,000. Unearned income is counted dollar for dollar. Earned income from self-employment is counted after costs of production income is deducted. Deductions are standard deduction of \$60, child care is paid up to \$15 per month or if a child is under 3 years, child care maximum is \$200 per month, per child. Maximum child care deduction is \$100 if recipient is employed past time.

Since 1981 1/2 of newly unemployed person's income is disregarded for 4 months. The person must be off of assistance 12 months before can receive 4 month disregard again.

Step-parent is defined as a person who is not a parent of any child in the assistance unit; but is responsible for supporting in part the child in AFDC unit. A portion of income is not counted. Marriage is not an incentive. If the person in the home does not marry the parent, their income is not counted. If they marry the income would be counted.

Educational and training and income are not counted against the grant.

Payments made to a third party on behalf of an assistance unit are not counted income. 18X Section 8 or 12 a third party pays the rent, gas and electric, etc.)

If a person becomes ineligible for AFDC because of income from earnings they are eligible for Medical Assistance for 1 year. If they exit due to increased child support medical Assistance is extended for only 6 months.

Child Support Enforcement Administration (CSEA) - New Legislation

CSEA tries to provide financial support from the parent who is not in the home.

The process for obtaining child support flows in the following manner:

- 1) Referral is made to CSEA
- 2) Location of absent parent
- 3) Establishment of paternity
- 4) Establishment of support order
- 5) Collection of payments
- 6) Forwarding of payments to recipient
- 7) Monitoring of payments
- 8) Follow up

The process is the same whether the case is AFDC or non-AFDC. A non-AFDC client pays a \$20 fee for the service. Currently 250,000 people receive child support services with approximately one half being AFDC. Although \$200,000,000 in collections were made in FY '92, there is \$500,000,000 in arrears.

Administration of the CSE system is unique from county to county and may involve state and local staff as well as outside contractors. CSEA is able to utilize a variety of collection devices including tax intercepts, lottery intercepts and wage withholding. Ms. Sollenberger was asked about the percentage of AFDC cases that receive child support. (Editorial Note: Her staff later reported to Commission Staff that this information is not readily available and will not be until the implementation of the new computer system.)

During the legislative session, several laws were passed which affect child support issues. When child support is 60 days delinquent, the payor can be reported to credit agencies. Child support can now be immediately withheld from wages without the child support being delinquent. Paternity can be established at the hospital if both parents sign an acknowledgement of paternity. This document serves as a rebuttable presumption of paternity. CSEA also pursues health benefits for children. They will petition for medical support and attempt to insure that absent parents include their children on their health insurance policies.

The issue of assisting fathers to become able to pay child support was mentioned and Ms. Sollenberger indicated that some small efforts are being made to work with unemployed and under educated fathers to assist them in developing skills which will enable them to become employed and pay child support.

Child Support Assurance programs were briefly discussed. (Editorial note: Several states, particularly New York, have developed Child Support Assurance Programs. They don't all mean the same thing. They will be mentioned again during the "other states" presentation. The Commission may also wish to have a separate presentation on this issue.)

Minutes - April 22, 1963

Commission very much like the Welfare Policy Commission. The indicated maintenance level amount of 12 years ago. In the state the AGW is now used to set the payment level and has become an arithmetic function of the grant amount. The State uses the indicated minimum living level to reflect a progressively required annual update of the original AGW of the Governor's Commission on Welfare Grants of 1950.

At 4:45 P.M. the Commission took a break.

At 7:30 P.M. the Commission reconvened, continuing the discussion of the financial eligibility factors associated with AFDC.

Every month the recipient must pass a gross income test. Their income must not exceed 150% of the AGW for their family size. The available resource limit is \$1,000. Unearned income is counted dollar for dollar. Earned income from self-employment is counted after costs of producing income is deducted. Deductions are standard deduction of \$50, child care is paid up to \$150 per month or if a child is under 3 years, child care maximum is \$200 per month, per child. Maximum child care deduction is \$100 if recipient is employed part time.

Since 1961 1/3 of newly employed person's income is disregarded for 6 months. The person must be out of assistance 12 months before can receive 2 month disregard again.

Step-parent is defined as a person who is not a parent of any child in the assistance unit but is responsible for supporting in part the child in AFDC unit. A portion of income is not counted. Marriage is not an income. If the person in the home does not marry the parent, their income is not counted. If they marry the income would be counted.

Educational expenditure and loans are not counted against the

payments made to a child party on behalf of an assistance unit are not countable income. (See Section 2 or 3 of AFDC law. The AFDC law and electric, etc.)

If a person becomes ineligible for AFDC because of income from earnings they are eligible for Medical Assistance for 1 year. If they exit due to increased child support Medical Assistance is extended for only 6 months.

CHILD SUPPORT INFORMATION DISSEMINATION

CASE tried to provide financial support from the parent who is not in the home

The process for obtaining child support flows in the following manner:

- 1) Referral is made to CSEA
- 2) Location of absent parent
- 3) Establishment of paternity
- 4) Establishment of support order
- 5) Collection of payments
- 6) Forwarding of payments to recipient
- 7) Monitoring of payments
- 8) Follow up

The process is the same whether the case is AFDC or non-AFDC. A non-AFDC client pays a \$20 fee for the service. Currently 250,000 people receive child support services with approximately one half being AFDC. Although \$200,000,000 in collections were made in FY '92, there is \$500,000,000 in arrears.

Administration of the CSE system is unique from county to county and may involve state and local staff as well as outside contractors. CSEA is able to utilize a variety of collection devices including tax intercepts, lottery intercepts and wage withholding. Ms. Sollenberger was asked about the percentage of AFDC cases that receive child support. (Editorial Note: Her staff later reported to Commission Staff that this information is not readily available and will not be until the implementation of the new computer system.)

During the legislative session, several laws were passed which affect child support issues. When child support is 60 days delinquent, the payor can be reported to credit agencies. Child support can now be immediately withheld from wages without the child support being delinquent. Paternity can be established at the hospital if both parents sign an acknowledgement of paternity. This document serves as a rebuttable presumption of paternity. CSEA also pursues health benefits for children. They will petition for medical support and attempt to insure that absent parents include their children on their health insurance policies.

The issue of assisting fathers to become able to pay child support was mentioned and Ms. Sollenberger indicated that some small efforts are being made to work with unemployed and under educated fathers to assist them in developing skills which will enable them to become employed and pay child support.

Child Support Assurance programs were briefly discussed. (Editorial note: Several states, particularly New York, have developed Child Support Assurance Programs. They don't all mean the same thing. They will be mentioned again during the "other states" presentation. The Commission may also wish to have a separate presentation on this issue.)

The process for obtaining child support flows in the following manner:

- 1) Monitoring of payments
- 2) Forwarding of payments to recipient
- 3) Collection of payments
- 4) Establishment of support order
- 5) Establishment of paternity
- 6) Location of absent parent
- 7) Referral is made to CSBA

The process is the same whether the case is AID or non-AID. A non-AID client pays a \$10 fee for the service. Currently \$20,000 people receive child support services with approximately one half being AID. Although \$200,000 in collections were made in FY 1992, there is \$200,000 in arrears.

Administration of the CSBA system is unique from county to county and may involve state and local staff as well as outside contractors. CSBA is able to utilize a variety of collection devices including tax intercepts, lottery intercepts and wage withholding. Mr. Hollenberger was asked about the percentage of AID cases that receive child support. (Editorial Note: Mr. Hollenberger later reported to Commission staff that this information is not readily available and will not be until the implementation of the new computer system.)

During the legislative session, several laws were passed which affect child support services. When child support is no longer delinquent, the report can be reported to credit agencies. Child support can now be voluntarily withheld from wages without the child support being delinquent. Voluntary can be established at the hospital at birth parent sign an acknowledgment of paternity. This document serves as a rebuttable presumption of paternity. CSBA also pursues health benefits for children. They will petition for medical support and attempt to ensure that absent parents include their children on their health insurance policies.

The issue of retaining fathers as parents who do not child support was mentioned and Mr. Hollenberger indicated that some staff efforts are being made to work with unemployed and under educated fathers to assist them in developing skills which will enable them to become employed and pay child support.

Child Support Assistance programs were briefly discussed. (Editorial Note: Several agencies, particularly New York, have developed Child Support Assistance programs. They don't all seem the same thing. They will be mentioned again during the "other states" presentation. The Commission may also wish to have a separate presentation on this issue.)

Public Input

At 8:00 P.M. Mr. Civiletti recognized Ms. Bernadette Devone, who had registered to provide public input. Ms. Devone referred to the question that had been asked earlier, "was the public assistance grant enough to live on?" Ms. Devone proceeded to respond to that question by relating to the Commission how she went from being an employed person in Trenton, New Jersey to a welfare recipient in Baltimore. She stated that in addition to her public assistance grant of \$290 per month for her and one of her children, her other child receives benefits from the Supplemental Security Income (SSI) program for a total monthly "salary" of \$600 along with Food Stamps and Medical Assistance. Ms. Devone stated that she is trained as a community organizer, however, she was laid off from her job, causing her to lose her home and her car. She is currently "on the street" but is living with an older woman who has provided shelter for her and her two children (10 and 17 year old sons).

Along with her work experience Ms. Devone has been a member of boards and commissions, but is now unable to find a job. She has been offered opportunities to participate in training programs, but she feels she already is a skilled person. Also the jobs that these training programs would prepare her for only pay \$5.00/hour. She feels that after paying child care for her 10 year old son, she is better off on welfare, since it would not be worth it to her to work. After speaking to the Commission at the April 13 meeting, Senator Barbara Hoffman interceded in her behalf to get her housing. However, the landlord wants a \$807 deposit, which Ms. Devone does not have.

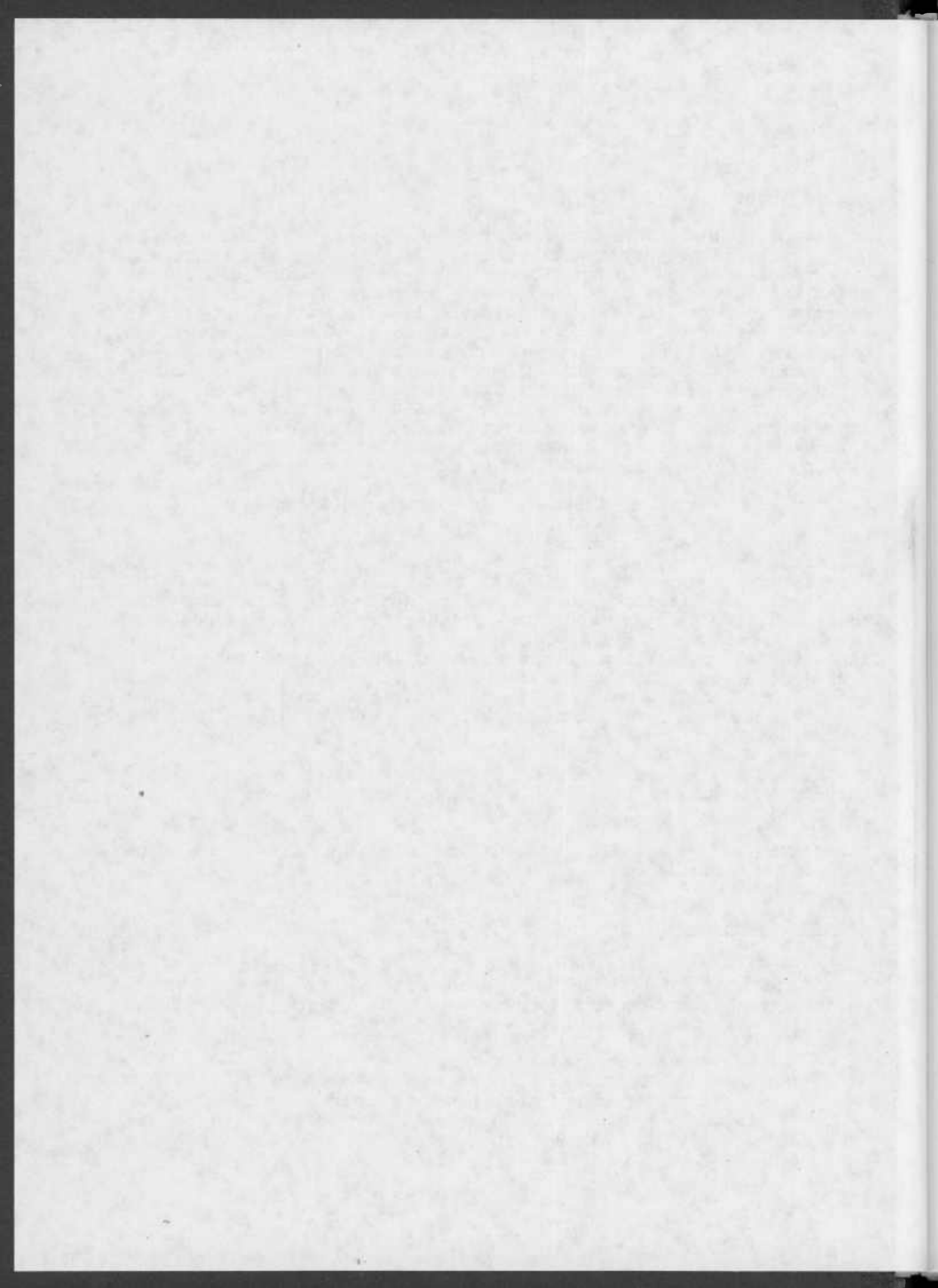
Ms. Devone made two suggestions to the Commission Members. One, that they spend one day with a welfare recipient; and two, that they spend one day with a caseworker.

Larston Williams was also present with Bernadette Devone and he wanted the Commission to know that they want to work with the Commission.

Future Directions:

Following the time allotted for public input, Chairman Civiletti noted that the Commission will need to begin to look at broad principles, objectives and parameters. For example, he asked the Commission to consider such issues as:

- What is the system's goal?
- What is its primary objective?
- Is it an objective that people should be healthy?
- Is it a point of the system's objective to allow for dignity?



- Do we want a system that is highly efficient - that reaches out to the people in need before they reach the system?
- How do we get most of the dollars to the constituents rather than eaten up in the process?
- Do we want to foster two parent family units?

The meeting was adjourned at 8:17 P.M.

The next meeting of the Commission will be Tuesday, May 4, 1993.

The meeting was opened by Chairman Cavallaro at 8:00 P.M. The minutes of the meeting of April 27, 1993 were approved subject to future review and correction.

Mark Greenberg - Senior Attorney - Center for Law and Social Policy

CLASP is a non-profit agency which is engaged in research regarding policies affecting low-income groups. Commission members were previously given The Bush to Reagan's survey of welfare and state legislative reform efforts in various states at the end of 1991. The Bush to Reagan is critical in nature due to CLASP's concern that the current large number of efforts to reform welfare systems have often not thought of policy developments. They are ideas which may have little basis in the available research, but may have major political appeal.

Mr. Greenberg indicated that new ideas included:

- A) Initiatives around the country
- B) Areas in need of change
- C) Initiatives going on in states around a new system
- D) Where to spend on federal welfare

Currently a broad array of initiatives having nothing in common is being conducted. The country is undergoing a process where any change to the system is described as "welfare reform." The policy gave a bad focus on the issue of welfare reform by focusing on the

to be made a system that is highly efficient - that
teachers can go to the people in need before they reach the
system.
Now we get out of the dollar to the community
which has been up in the process.
It was to be a two-part family unit.

The meeting was adjourned at 11:15 p.m.

The next meeting of the Commission will be Tuesday, May 2, 1953.

Governor's Commission on Welfare Policy

Minutes -- May 4, 1993

Present:

Benjamin, Georges
Civiletti, Benjamin
Colvin, Carolyn
Folkemer, John (for N. Sabatini)
Perkins, Thomas
Hoffman, Barbara
Jones, Dana
Leviton, Susan

Mannion, Patricia
Obrecht, Charles
Pines, Marion
Sachs, Leonard
Smith, Harold
Stith, Rosetta
Tolbert, Constance
Wood, Marcus

Absent

Bond, Calhoun
Murray, Ethel
D'Alessio, Frederick

Linehan, Earl
Evans, Dallas

The meeting was opened by Chairman Civiletti at 4:15 p. m. The minutes of the meeting of April 28, 1993 were approved subject to future review and correction.

Mark Greenberg - Senior Attorney - Center for Law and Social Policy (CLASP)

CLASP is a non-profit agency which is engaged in research regarding policies affecting low-income groups. Commission members were previously given The Rush to Reform, a survey of waivers and state legislative reform efforts in various states at the end of 1992. The Rush to Reform is critical in nature due to CLASP's concern that the current large number of efforts to reform welfare systems are often not thoughtful policy developments. They are ideas which may have little basis in the available research, but may have major political appeal.

Mr. Greenberg indicated that he would discuss:

- A) Initiatives around the country
- B) Areas in need of change
- C) Initiatives going on in states around a new system
- D) Where we stand on federal waivers.

Currently a broad array of initiatives having nothing in common is being conducted. The country is undergoing a process where any change to the system is described as "welfare reform." The media give a bad focus on the issue of welfare reform by zeroing in on

the flashiest or most punitive issues. Initiatives put forward in many state legislatures didn't pass due to the amount of resources required and/or the ideas, when subject to closer examination, became more troubling. Federal cost neutrality requirements to obtain waivers may curtail or constrain creative efforts, whether they be well thought out or not.

The focus of welfare reform efforts is on the AFDC program. The relationships between public assistance policy and tax policy as well as public assistance policy and employment policy needs to be explored by this or any other welfare commission.

Common themes running through welfare reform efforts are:

- 1) Re-thinking the way the system treats families when they go to work
- 2) How the system treats families
- 3) Personal responsibilities (tying AFDC to behaviors)
- 4) Time limiting assistance.

Reform efforts are what is frequently flawed because reformers are not stepping back to ask the purpose of the welfare system. We need to determine how our expectations of families fit in with resources and what we want the system to do.

There is a relationship between the welfare system and work. As we move people toward self-sufficiency, they cease to be eligible for AFDC. (This is the desired outcome.) AFDC, however, most often ends before the family is self-sufficient enough.

AFDC helps a smaller percentage of poor children than it helped 20 years ago when more support was given to working poor families. In 1972, 49 states provided assistance to families having income that was 50% of the poverty level while in 1991, 31 states provided assistance to this group. In 1972, 48 states provided assistance to families whose income was 100% of the poverty level. In 1991, no states provided assistance to this group. Lack of AFDC assistance has made working poor families poorer. There has been a 22% to 25% drop in disposable income for the working poor between 1972 and 1991.

A change in earnings rules is needed. Current AFDC earnings policy equates to a 100% tax rate. Several states have obtained waivers to disregard larger percentages of earned income, for example, the first \$200 and 20% of the remainder. These changes still result in a high effective tax rate and termination of families from assistance while they are still in poverty.

Changes in the Earned Income Tax Credit (EITC) appear to be a possible means of addressing this problem; however, even this doesn't help the poorest.

The EITC also has limitations as a method of assisting the working poor enough. Generally it is received as a lump sum when families receive their income tax refund and, therefore, is not available to meet on-going needs. There is an advance payment option wherein EITC can be paid throughout the year in the regular check ; however, this option is not commonly used. (Editorial Note: There are many reasons why this occurs from lack of knowledge on the part of the employee to the fact that the employer must pay the refundable EITC from FICA and other withheld funds thus reducing interest that could be earned on this "float".)

Whether the ultimate system is a public assistance system or a tax system, more supportive services need to be provided to the working poor.

The complexity of the system for handling cases of employed clients adversely impacts both clients and workers and there is a need for simplifying this process.

A question was raised on cost neutrality requirements for obtaining federal waivers. Will the Clinton administration remove "cost neutrality" provisions that have to be a part of waiver requests? The answer is not known at this time.

According to Mr. Greenberg "welfare to work" is a misleading phrase. Significant numbers of welfare recipients have lost employment (30% to 40% have worked in the last year) and will soon re-enter employment. Frequently people lose jobs in the early months of employment. Efforts need to be made to determine what can be done to help people succeed in the initial months of employment, such as provision of case management and supportive services. There is a lack of attention to what happens after people enter employment.

There were also questions regarding how to get people onto employment. A certain group will enter employment on their own. Participants in California's JOBS program (called GAIN) were divided into an experimental group which received support and assistance in job finding and a control group which didn't. Of the experimental group, 51% entered employment while 45% of the control group entered employment. New applicants and individuals with recent work history are more likely to enter employment.

Factors which will make a difference in whether a person is poor include:

- 1) Education (greater educational level, the less chance there is of being poor)
- 2) Income of full-time, year-round worker
- 3) Likelihood of AFDC receipt
- 4) Likelihood of AFDC receipt for two full years

There is a strong correlation between educational level and receipt of AFDC. The Commission will need to decide the extent to which it wants the AFDC system to address educational needs.

A comment was made that, since there can't be full employment, we may be paying certain people not to work in the same manner as the government pays farmers not to grow certain crops.

The importance of focusing on teen parents was addressed as well as the impact of providing additional education for older adult recipients (in their 30's and 40's). Given proper training, there is a good chance that they would work.

The Family Support Act (FSA) of 1988 required states to extend training to AFDC recipients as part of the JOBS (Job Opportunities and Basic Skills) program. However, the Federal government did not allot sufficient resources to fully operate the program. If a state exercised all options available under JOBS, it could obtain an 80% participation rate from mandatory enrollees. Due to insufficient resources, states are unable to serve all mandatory clients. States must put up their own funds in order to draw down Federal matching funds. Due to the recent recession, most states were unable to put up funds needed to gain the maximum available Federal match. Maryland drew down a higher percentage of federal funds than most states and also implemented its JOBS program, Project Independence (PI), prior to most states. (Editorial Note: Maryland was the first state in the country to have its JOBS State Plan approved.)

Developers of welfare programs need to decide what they want the system to look like and what resource commitments will need to be made to get it to look like that. Past programs have raised employment and earnings but did not get people out of poverty. The programs of the '80's put little emphasis on education while concentrating on job placements.

Welfare systems in the past have had an adverse impact on the family. The system treats two parent families badly. Rules often deny assistance to two parent families since the eligibility criteria are stricter. These rules affect program policies as well as the way caseworkers spend their time. Some states are attempting to change rules through Federal waivers on such eligibility requirements as "work history" and the "100 hours of employment" per month rule.

Step parent situations also face stringent eligibility requirements and significant disincentives to marriage. In most states, the step parent has no legal duty to support the spouse's children. Since 1981, AFDC, however, counts a portion of income from the step parent but only if there is a legal marriage. If the person just "lives with" the AFDC Assistance Unit, there is no such penalty.

Some states have tried to eliminate step parent penalties. An estimated 5% to 6% of AFDC cases contain step parents.

The issue of separate programs with different eligibility rules was also mentioned. AFDC recipients are also eligible for Medical Assistance and usually Food Stamps. All three programs have different rules which results in confusion for the clients served.

Regarding attempts to use AFDC to change behavior, there is a philosophical issue-does money change behavior? The question is - how much money and what behavior?

Mr. Greenberg then spoke briefly about Child Support Assurance (CSA). Single parent families lack the support of another wage earner. The focus on child support enforcement is to allow these families to have a viable source of income. Under Child Support Assurance, once the mother has cooperated with the child support agency and a support order is established, the government will assure a basic level of support which does not depend upon whether the absent parent pays. This concept can be extended to all single parent families, not just those on welfare. CSA programs may ultimately result in more single parents entering employment as they become assured of a basic level of income. On the minus side, there is a disincentive for non-custodial parents to pay child support as their children are assured a minimum level of support regardless of whether they pay.

The Commission took a break at 6:30 P.M.

The Elements of Change - National Level

At 7:15 P.M. the Commission was reconvened by Chairman Civiletti. Rick Ferreira, Senior Policy Analyst for the American Public Welfare Association (APWA) was introduced to make his presentation to the Commission. Mr. Ferreira explained the APWA process. The APWA decided to get involved in the welfare reform process because of what was happening on the State level. A 17 member group started meeting in December around the Clinton proposals. This group consisted of 5 or 6 Welfare Commissioners and 10 or 11 Program Administrators. The Clinton plan basically involves time-limited welfare or as Mr. Ferreira prefers mandatory work requirement after some designated time.

Mr. Ferreira listed the priorities of the APWA Process:

1. Be out front - Define what the system would look like. They support the concept - but have not agreed on any time frame or set of time limits. There will need to be some temporary AFDC support no matter what plan ultimately surfaces.

2. Build on the Family Support Act of 1988 - As of 1992, \$650 million of the original \$1 billion authorized by the Congress has been spent, there is still \$350 Million left. There needs to be a reduction in the state match required. We are looking at enormous caseload growth. There was an expectation that Project Independence would be a welfare employment program, but has not been able to capitalize on all of the federal funds available to it. The Program does have potential, there is a foundation upon which we need to build.
3. Child support needs strengthening - Providing states with as many tools as possible to enforce it. How far does the federal government go in terms of mandating certain things is an open issue, especially in child support where its federal presence is relatively new. The state legislators and National Governor's Association (NGA) do not favor the federal mandates without the funds to do them. APWA does not believe we are ready for national Child Support Assurance, but will support public demonstrations headed toward Child Support Assurance in the future.
4. Making Work Pay - there are certain elements involved.
 - a. Health Care Reform - without health care reform we cannot do welfare reform
 - b. Earned Income Tax Credit - more usage with regular paychecks and not just annually as now is most often the case
 - c. Supportive Services - i.e. child care
 - d. Simplifying welfare
 - e. Job creation - must look to private sector for jobs or government subsidized jobs. There will need to be 1.5 million community work experience placements. One source of job creation could be welfare grant diversion.

Commission members noted that this is an issue of a "jobless recovery." There is downsizing of government and private sector jobs. We are investing in education and training with no existing jobs at the end. There is a gap between training and actual job placement. Secretary Colvin made the point that the work environment is not friendly to women, who will primarily be the welfare recipients trying to enter the job market.

These issues are consistent with those being raised by the Clinton Administration and the NGA. The Clinton Administration hopes to have a proposal made public by late summer or early fall. There will be some people who will be exempt from mandatory work requirement. In the case of a social contract no

one is exempt; what they do as their part of the bargain is the salient issue. If every able bodied person who is now exempt participates in mandatory work requirement it would cost \$5-6 billion for training, the community work experience positions and administration.

There is also a major question about time limited welfare that has not been answered - is time limited welfare one time only?

There is another group that has been meeting regularly called the "Gang of 10." They consist of 5 governors (NGA), 3 state welfare commissioners (APWA), and 2 legislators from the National Council of State Legislators (NCL). This group is trying to develop a universal proposal that would allow for state innovation. They want the states to have greater flexibility. There are 13 states with major demonstrations underway. Maryland was second with the Primary Prevention Initiative. States are moving forward in welfare and health care reform. This group will be pushing for greater state flexibility and the federal funds to put the federal mandates into place.

According to Mr. Ferreira, one of the questions that needs to be answered by all groups is, "do all people given a level playing field, want to work?" And if not, "what action needs to be taken, especially since children are involved?"

There was no registration for public comment.

The Direction for the Future

Mr. Civiletti concluded the meeting by stating that the Commission needs to develop principles and objectives. We need to devise an inventory to develop a consensus of what the welfare system should be about so that we can proceed to determine policies that accomplish these goals. We can measure systems to see if they promote sound principles.

He raised the issue of public sessions. At what point do we devote an entire meeting or meetings to public comment? Should we have the public comment before issues and concepts are formed or when we have something for the public to react to? Where there is the most value to public comment?

Marion Pines stated that we should agree on principles before obtaining public comment.

The meeting was adjourned at 8:06 P.M.

The next meeting will be Tuesday, May 25, 1993 beginning at 4:00 P.M. at the University of Baltimore Law Center.

GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes - May 25, 1993

Present:

Calhoun Bond	Patricia Mannion
Benjamin Civiletti	Charles Obrecht
Carolyn Colvin	Marion Pines
Frederick D'Alessio	Thomas Perkins
Dallas Evans	Leonard Sachs
John Folkemer (for N. Sabatini)	Rosetta Stith
Barbara Hoffman	Constance Tolbert
Susan Leviton	Marcus Wood
Earl Linehan	

Absent:

Georges Benjamin	Ethel Murray
Dana Jones	Harold Smith

The meeting was opened by Dr. Stith at 4:19 p.m. The minutes of the meeting of May 4, 1993 were approved subject to future review and correction.

Dr. Phillip H. Farfel, President, Board of School Commissioners, Baltimore City Public Schools.

Dr. Farfel stated that the points that he would make during his presentation were his personal thoughts; however, they were consistent with the objectives of the school system. He prefaced his presentation with recognition of Dr. Rosetta Stith and her leadership.

The Baltimore City Public School system consists of 179 schools with a budget of one half billion dollars. In order to achieve its goals and improve the performance of the children, BCPS must collaborate with other services and agencies.

The school system has four primary goals:

1. learning to think and be creative;
2. school based management;
3. investing in training and retooling - professional development;
4. creating partnerships.

The School Board believes that without partnerships with external entities (business, universities, parents, community organizations, cultural institutions, health/social services), their ability to be effective is limited. There are numerous reasons why children are

not learning up to expectations, including hunger, abuse, and pregnancy. Schools are being held accountable for factors beyond the control of the school system. This results in human and preventable economic costs.

"Link Up Learning" is a federal initiative which promotes coordination between health, education and social services necessary for children to achieve school goals. Coordination of services must reach down to schools and local communities.

People closest to the child need to be involved for most effective learning to take place. BCPS has established School Improvement Teams (SIT) which consist of faculty, parents and community representatives. SIT establishes clear performance goals for students and makes decisions about curriculum, budget and staffing models. There has been limited involvement by social services and health in SIT.

Welfare and education need each other in order to accomplish common goals. The following recommendations were made:

1. Health and human services need to be decentralized and located in schools in order to coordinate services.
 - a. reassign human service professionals to SITs;
 - b. develop accountability requirements;
 - c. emphasize community focus;
 - d. promote decision making at community level with schools at the hub.
2. Common Management Information Systems (MIS) - school system and health and human services data bases should be linked.
3. Expand Primary Prevention Initiative (PPI) to incorporate family physicians in City's secondary schools.

Reassign caseworkers into school-based health and wellness workers and run health promotion programs in schools. The results of this would be a decrease in the number of low birth weight babies, reduced infant morbidity, and substitution of less expensive primary care for more expensive health care.

4. DHR should consider contracting with schools in order to improve student outcomes. Such "enterprise schools" would then allow the school to buy required services.
5. Develop incentives for students to achieve academic and health goals.
6. Develop accountability system for DHR workers.

All of the above recommendations are designed to be budget neutral. Implementation could be on a pilot basis.

A number of comments followed Dr. Farfel's presentation.

Dr. Farfel was asked to quantify "many" of students. He indicated that he would obtain the numbers and get back to the Commission. Twenty-five percent of students miss one month or more of school.

Public Health nurses are not longer in schools. Elementary schools share nurses. There was a question about which department should pay for nurses.

Secretary Colvin indicated that we need to identify better data in order to implement ideas.

The decision on where to put resources is a tough one to make. Automation is important but we need to generate usable information.

Two models of alternative delivery of services were developed in Baltimore City in Lafayette Courts and Sandtown-Winchester.

Cost neutrality is not always possible, especially when expanding services. Services should be targeted and made user friendly. Family based services should be developed.

Hours of school availability should be expanded in order for the school to be the focus of community activity. There is some question about parent comfort level in using the school system. The school site should be used rather than having the school run the alternative service.

Kathy Cook, Director, DHR/IMA, Office of Policy Administration - Primary Prevention Initiative (PPI)

PPI is one piece of Maryland's welfare reform efforts. The state was looking for ways to use the welfare grant to influence client behaviors in positive ways. PPI is not cost containment. DHR links up with goals of the Department of Education and Department of Health and Mental Hygiene to promote school attendance and health care.

The initiative for PPI came from within DHR. Originally efforts were made to develop the program through a "current law approach", however, a federal waiver was necessary and was approved on July 1, 1992.

PPI has two basic program components, preschool health and school attendance. Preschool children must get preventive health care and

immunizations and school aged children must attend school 80% of the time or the family receives a \$25 (per child) sanction for non compliance.

School attendance is verified through an automated match with the Department of Education. Raw attendance data for AFDC recipient is run through a formula by DHR.

Sanctions began in January, 1993 and most are due to failure to comply with health requirements. As a result of the number of sanctions, increased efforts have been made to get clients to comply with health care requirements. A special project which arranged appointments and provided transportation was conducted.

There have been criticisms that the number of health care sanctions is related to access to health care. As a result, HMO's have agreed to provide 15 day access to PPI clients with sanctions and 45 day access to all other PPI clients. In addition, other agencies have offered assistance in getting families to comply with program requirements.

PPI also provides a \$14 monthly prenatal care allowance and a \$20 annual preventive health care bonus.

PPI health care requirements have had a positive impact on the behavior of clients. Ninety percent of AFDC families are in compliance with program requirements. EPSDT (Early Periodic Screening Diagnosis Treatment) screenings by DHMH are up 40% for FY 1993.

Special supportive services are offered to PPI participants. Group problem solving workshops are available as are targeted case management services. There will be an automatic service outreach to any client who has been sanctioned for three months.

An evaluation of PPI is being conducted in the form of a research project having a treatment, experimental and control group.

Elements of Change - Other States

Mark Greenberg, Senior Attorney for the Center for Law and Social Policy (CLASP), returned to present to the Commission specific reform efforts in specific States. He started his presentation by listing the waiver requests States most commonly made to the federal government:

1. school attendance for teens
2. treatment of earned income
3. residency requirements
4. asset policy
5. JOBS participation requirements (PI in Maryland)

Mr. Greenberg outlined three major welfare reform initiatives either currently being implemented or in the design stages.

The Child Assistance Program (CAP) in New York is currently in its second year of operation. The criteria for participation in this program is as follows:

- any family with a child support order can enter into CAP
- CAP benefit is about 2/3 of the AFDC grant
- When in CAP, assistance is reduced by \$.10 for every \$1.00 of earnings up to the poverty level then by \$.57 for \$1.00 up to 150% of poverty. Unearned income reduces assistance dollar for dollar.

Other features:

- food stamp cash out
- no asset limit
- generic case manager with caseload of 50
- quarterly income reporting
- no restricted shelter or energy payment
- child care stipend is paid in advance

CAP Impact

A random assignment study found that in 4th quarter of the first year;

- employment rate 21% higher in the experimental group
- average monthly hours worked were increased 28%
- average monthly earnings were increased 25%

In developing welfare reform for Maryland, Mr. Greenberg advised the Commissioners to decide, "what it is they want to have happen to working poor people."

In the New York counties that are involved in CAP, AFDC is still there. A child support order and/or a job establishes eligibility for the program.

The highest percentage of people who got into the program from one county was 16%. Of people who had both support orders and jobs, 40% got into the program.

This program has attempted to have its case management structure not only to address income maintenance needs but ultimately to provide other social services as needed.

One drawback of this program is that if the father pays the child support, the family is not better off.

At 7:00 p.m. the Commission stopped for a break.

The break ended at 7:40 p.m. with Mark Greenberg continuing, presenting the Minnesota Family Investment Program. The key principles of this program are:

Reward work

Family is better off working
Income support, when income falls short of their defined "family wage"

Support family

Remove penalties against 2 parent families
Reasonable expectations for one parent family expanded health care and child care

Revive the social contract

Parents expected to move to maximum reasonable support
Government to support this with needed services

The key features are:

1. Coordinates and cashes out AFDC, Family General Assistance and Food Stamps
2. Eligibility based on income and resources, not family structure and work history
3. For families with earnings: 31% earnings disregard and earnings budgeted against a payment standard 12% higher than the basic standard. Case management for minor parents and 18-19 years old without high school diploma immediately on entering MFIP, single parents have to develop family support agreements by 25th month, two parent families must do so by the 7th month.
4. 10% reduction in assistance to those who don't comply in developing and following a family support plan.

A part of the message from these programs is that no one is expecting miracles. In seeking programs that work, states should not just emulate, but see if they can improve upon what has been done.

Vermont Family Independence Program

This program is directly in line with President Clinton's campaign pledge to:

1. make work pay
2. enforce child support
3. expand access to health
4. expect work after 2 years on AFDC

Under the Vermont Family Independence Program there is a work requirement that:

1. For single parent families and 2 parent families with an incapacitated parent the time limit will be 30 months (for intact AFDC families, it will be 15 months.)
2. At the end of the time limit, community service jobs will be made available for those unable to find unsubsidized employment.
3. Weekly hours will be 20 for single parent families and the able-bodied intact family if there is a child under 13.
4. The community service jobs will be funded through grant diversion.
5. Remove JOBS exemptions for parents of children at least 16 weeks old, and for parents with temporary disabilities

At 8:14 p.m. Mr. Civiletti called upon Mr. Andrew Woods, a social worker in the Baltimore City Schools, who had signed up for public input. Mr. Woods stated that upon hearing the presentations of both Mr. Farfel and Mr. Greenberg, the plight of at least 12 children and/or their parents came to mind. Mr. Woods senses that the Commission is trying to revisit the Poor Laws of 1932.

Mr. Woods related the circumstances of the following individuals:

- Maya, has a developmentally disabled parent;
- Lindsay, a OASI recipient, who was sexually abused in Foster Care, her mother is a handicapped adult;
- Carlton, whose mother is mentally retarded;
- Steven and Brock, learning problems, parents with learning problems;
- April, 10 year old in 2nd grade, lactose mal, Chronic Otitis.

Mr. Woods stated that the handicapped population has not begun to be discussed in public. In measuring, if the measurement is designed inaccurately the outcome will be inaccurate a certain percentage of the time. We must look at what we give people to deal with, the boundaries between agencies. If the agency heads do not sensitize the front line providers to be conversant with the

people with needs and who cannot fend for themselves, all the planning in the world to make things better won't work. The American Disabilities Association should have an affect on the design on welfare reform.

Chairman Civiletti closed the meeting by directing the Commission's attention to a list of principles and objectives that had been previously distributed. He also brought to their attention a list of policy issues drawn up by Marion Pines. Mr. Civiletti recommends that the Commission be divided into sub-groups to work on issues and then come back to report to the entire Commission. Prior to the initial report due in October, Mr. Civiletti would recommend that there be a preliminary report around which public hearings will be set up to induce reaction and further information.

The meeting was adjourned at 8:32 p.m.

The next meeting of the Commission will be held Tuesday, June 8, 1993 at 4:00 p.m. in the Moot Court Room of the University of Baltimore Law Center.

GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes-June 8, 1993

Present

Georges Benjamin	Patricia Mannion
Calhoun Bond	Charles Obrecht
Carolyn Colvin	Tom Perkins
Susan Tucker(for Frederick D'Alessio)	Marion Pines
Dallas Evans	John Folkemer (for Nelson Sabatini)
Dana Jones	Leonard Sachs
Susan Leviton	Lynda Meade (for Harold Smith)
Earl Linehan	Marcus Wood

Absent

Benjamin Civiletti
Barbara Hoffman
Ethel Murray
Rosetta Stith
Constance Tolbert

The meeting was called to order at 4:23 by Richard Larson, Staff Director of the Commission, in the absence of both the chair, Benjamin Civiletti, and the vice-chair, Rosetta Stith. He indicated that he would attempt to facilitate a discussion of issues suggested by Mr. Civiletti and assist the Commission in making a decision regarding holding a near-term public hearing. He indicated that he planned to continue the discussion on the principles of welfare reform suggested by Mr. Civiletti, review the policy statements suggested by Marion Pines, and form workgroups to examine various aspects of welfare reform in greater detail.

The minutes of the previous meeting of 5/25/93 were reviewed. Marion Pines indicated that the discussion of Mark Greenberg's presentation on Elements of Change--Other States should include the fact that the courts in California have ruled that the state's residency requirements are illegal. Also, better financial treatment of two parent families is a frequent waiver request. There were no other changes or additions to the minutes at this time.

Public Hearing

A spirited discussion on the issue of having a public hearing ensued. Rich Larson indicated that Mr. Civiletti has suggested holding a public hearing prior to developing a position paper with the full Commission attending. This hearing would be an opportunity for people to express what they think the elements of

welfare reform should be without any preconceptions. The starting point for the discussion could be the principles set forth by Mr. Civiletti, those policy issues proposed by Ms. Pines, and any other general principle statements offered/developed by other Commission members.

Reaction to the suggestion of a public hearing at this time was unanimously negative. A number of arguments against the hearing were raised. Some thought that having a meeting just to have a meeting was inappropriate. There is need for an agenda, something that crystallizes the issues. Others said that there is a need to decide what the Commission would want to talk about or hear.

Others thought that a public hearing at this time was not advisable since not much could come out of a hearing based on the two papers done by Pines and Civiletti.

The consensus was that the Commission has been bombarded with information and hasn't had the opportunity to talk with each other. They expressed the need to share ideas among Commission members prior to holding a public hearing. A discussion of the Pines paper was suggested as a good starting point.

The consensus opinion went on to include the thought that preliminary judgements should be formed before getting public response. The Commission needs to decide what it wants to do before proceeding. Reviewing the Minnesota plan was recommended.

During the discussion, the issue of waivers was raised. Rich Larson indicated that Minnesota got a Federal law passed to implement their program. AFDC waiver authority is extensive; however, Medical Assistance and Food Stamp waivers are more limited. He expressed the opinion that the Commission should be unfettered by the need for waivers. Waivers or statutory changes shouldn't be obtained piecemeal; but as a package when all changes are agreed upon by the Commission.

In summary, on this topic the consensus of the Commission is that it is too early for a public hearing; especially an unstructured hearing. When a hearing is held, it should include the full Commission.

Principles and Objectives

The Commission then discussed defining the principles and objectives of Maryland's welfare reform using as a basis the lists prepared by Chairman Civiletti and Ms. Pines. A wide ranging discussion took place. The following points were made by the Commission members as needing to be considered when articulating the principles and objectives of the system.

-- There was a concern expressed by some that some of the items on the lists are not the responsibility of the Welfare System. Other members noted that the Welfare System can support the goals of other systems, e. g. the Primary Prevention Initiative.

-- Reducing disincentives to work should be one of the primary objectives of welfare reform.

-- We need to restructure the fabric of the system, putting the pieces together in a new way.

-- Many people do not know how to access the system especially health care, so access to and navigation of the system are important issues.

-- We need to create a "seamless system." This "seamless system" must extend beyond the welfare system.

-- The system needs to provide opportunity and encouragement to bring people from dependency to independence.

-- Some of the written goals could apply to any system, therefore the Commission needs to focus on more specific goals for the Welfare System and how to go about achieving them.

--The Commission needs to discuss the purpose of the welfare system. What should its role be and how should it impact on families?

--Welfare reform may be no different than it was 20 years ago. Efforts of the past 20 years have made little difference; therefore, fundamental, structural changes are needed. We need to determine what kind of fundamental changes must be made.

-- A determination needs to be made of the level to which you continue to give support and when you withdraw support. (Editorial note: This is consistent with the Commission's charge to look at the "standard of need.")

-- There was considerable discussion of "tinkering" with the current system. The Commission was overall, but not unanimous, in saying that what is needed is not further "tinkering" but establishment of a totally new system. Others held the opinion that changes made in the past, such as the Family Support Act of 1988, have not been recognized for the fundamental changes that they truly are; but, instead, have not been fully funded, implemented, and evaluated.

-- There was much discussion of the fact that, in many instances, work is not more profitable than welfare.

-- It was also recognized that the system of the future needs to look at individual needs.

-- There is nothing, or at least not enough, in the current welfare system to help people get jobs, or to create jobs. This is a critical element in a time limited system. There must be a meaningful job at the end of the time certain period.

-- In addition to the concerns with the welfare system, there is a concern with the larger picture. Can a change in the welfare system deal with fundamental problems in family structure? It seems impossible to reform the welfare system without dealing with the issue of reforming family structure.

-- There is presently a fragmented approach to public policy. A broad but limited change is not going to solve all problems. Change can make areas impacted by the welfare system better or worse.

-- There was also considerable discussion of the lack of accessibility and complexity of the current system with each major program having different eligibility criteria. Programs and the overall system need to be simplified. Secretary Colvin pointed out that DHR staff, along with staff from other states and Federal agencies, have been working on a simplification project and have presented the Federal simplification task group with a list of 57 areas that need to be simplified. (This list will be provided to the Commission.)

-- It was also stressed that a revised welfare system should focus on the strengths and motivations of individuals. The dignity of the individual should be emphasized.

-- The value of the "safety net" should be examined. Is it adequate?

There was general agreement that Chairman Civiletti's principles and objectives could be merged with Ms. Pines' policy issues and the issues raised at the meeting to form the basis for a document that could guide further study.

Sub-groups

Commission members were eager to establish sub-groups to begin fleshing out their ideas. Discussion centered around the number of groups which should be established and the topics which should be examined by each sub-group.

Secretary Colvin indicated that the Commission needs to move forward and look at where we want to go in the state. This can't be examined in total isolation. Everyone who has the ability to work should start where they are and work toward advancement. People should register for employment at the time of their application for welfare. The Commission must address those who are in danger of coming onto the welfare system by looking at preventions. We must look at family planning as well as do something with teen mothers so they do not become long term recipients. We need to come up with manageable things to do within the constraints of resources. We need to identify ways of doing things rather than obstacles encountered.

As the result of extensive discussion, the Commission decided to break down into three sub-groups:

1. Work and Welfare
2. Families and Welfare
3. Social Contract

Detailed issues that the sub-groups should address were then developed using a chalkboard to outline which issues belonged where. During the break, this was reduced to chart form. The chart is included as an attachment to these minutes.

There was consideration of establishing a fourth group, Simplification. Inasmuch as this area impacts on all other areas, a decision was made to hold off on the establishment of this sub-group until the other groups had the opportunity to meet and make some preliminary recommendations.

The Commission recessed from 6:20 to 7:00.

Following the break, sign-up sheets for participation on sub-groups were circulated. DHR staff and other interested individuals attending the meeting were invited to participate in the work of the sub-groups. Several Commission members stressed the importance of quickly convening the groups and getting to work on their tasks. A suggestion was made that the Commission meet as sub-groups during the next regular meeting (June 22, 1993). Others felt that we should not wait that long to get started.

Rich Larson indicated that he would send Mr. Civiletti a list of those interested in being on specific sub-groups. He will ask him on behalf of the Commission to appoint chairs. He would also send a letter and a copy of the chart which was developed to the five Commission members who were absent and request them to sign up for a sub-group(s). (Editorial note: Both activities were completed 6/9.) When a response is received from Mr. Civiletti, the sub-group chairs will be recruited and an initial meeting time will be sent. DHR staff as well as appropriate other staff will be assigned to each sub-group to assist it in its work.

The issue of evaluation was raised. How do we measure systems and changes? How do we measure success as it relates to families? This issue was added to the chart that had previously been developed.

Some Commission members expressed the need to do more "brainstorming," particularly with regard to the issue of whether or not the Commission will be proposing a fundamental change in the way we do business.

The meeting was adjourned at 7:30.

The next meeting of the Governor's Commission on Welfare Policy will be Tuesday, June 22, 1993 at 4:00 P.M. at the University of Baltimore Law Center.

DRAFT

Carolyn W. Coffin
Secretary

THE PURPOSE OF THE WELFARE SYSTEM IN MARYLAND IS _____

(An unanswered question by the Commission on 6/8/93. The overall vision must be dealt with in a later discussion.)

IT WILL DO THIS BY:

1. Providing that the family where one/both parents work will be better off than if on welfare. (Work and Welfare Subcommittee)

- Employment guarantees
- Deal with current AFDC disincentives to work
- Employment and training services to prepare
- To make work mandatory after a certain time (time-limited welfare)
 - for whom? (exemptions)
 - when?
 - how long a time?
 - issue of public service employment
- There should be no difference in treatment between welfare and non-welfare participants

2. Supporting Families (Families and Welfare Subcommittee)

- Before entering the system
- Child Support and Child Support Assurance
- Family Planning
- Teen-age pregnancy
- Encouraging two parent family formation by considering and dealing with
 - "absent" (and DALP) father issue
 - step-parent rules in current AFDC program
 - marriage penalties in current AFDC program

3. Developing a Social Contract (Social Contract Subcommittee)

- Parenting
- Health
- Education
- A two-way contract

DRAFT

MARYLAND DEPARTMENT OF HUMAN RESOURCES

DRAFT

- Family Investment Plan based upon a thorough assessment
- Incentives for performance and penalties for non-performance
- Client responsibilities
- Responsibilities of other agencies
- Is the contract between client and state of Maryland?
- How does it fit into a time-limited welfare program?

4. Simplify (Issue: Separate group or something for each of the previous three? Consensus at 6/8 meeting was to hold forming this group until other three had begun.)

- Intake process
- Automation
 - EBTS (Electronic Benefit Transfer System)
 - CCAMIS (Child Care Automated Management Information System)
 - CIS Client Information System
 - CARES (PA, MA, FS)
 - CSES (Child Support Enforcement System)
- Coordination vs. cash out
- Maximize efficiency
- Fraud reduction

5. Overarching values/issues that cut across work of all the subcommittees

- Individualizing
- Case manager ("one worker" and "one stop shopping")
- Maintaining dignity of participants
- Evaluation - "Does the system do what we want it to do and how well does it do it?"
- Have groups gone far enough in each of their areas to produce fundamental/substantial change in the way we do business?



GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes of June 22, 1993 Meeting

Present

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Calhoun Bond	Charles Obrecht
Benjamin Civiletti	Thomas Perkins
Carolyn Colvin	Marion Pines
Susan Taylor/Frederick D'Alessio	John Folkemer/Nelson Sabatini
Dallas Evans	Leonard Sachs
Barbara Hoffman	Harold Smith
Dana Jones	Rosetta Stith
Susan Leviton	Constance Tolbert
Earl Linehan	Marcus Wood
Patricia Mannion	

Absent

None

The meeting was called to order at 4:15 p.m. by Benjamin Civiletti. The minutes of the previous meeting on June 8 were approved.

Chairman Civiletti stated that it is appropriate to start the work of the sub-committees at this session after this general session. It is non-productive to have the full Commission meet while the sub-committee work is going on; therefore, the July meetings will be used for sub-committee work and the sub-committees will report back in August. He indicated that the Commission has separated out the issues very well.

Several Commissioners disagreed with the final sub-committee configuration. The sub-committee which was designated as "Social Contract" during the June 8 session had been changed by the Chair to "Health and Education." They felt that the Health and Education designation did not capture the fact that mutual obligations flow throughout the whole system of public assistance. The social contract is broader than the responsibility of the state to recipients and includes the responsibility of individual recipients to the state.

Mr. Civiletti indicated that topics, such as the "Social Contract," were concepts which are important to the entire system and could be added to all of the groups' study areas. For example, part of the social contract is to educate family members and children.

DRAFT

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Mr. Civiletti indicated that topics, such as the "Social Contract," were concepts which are important to the entire system and could be added to all of the groups' study areas. For example, part of the social contract is to educate family members and children.

There was disagreement with this point. Some members pointed out that human capital investment must follow under work and welfare. It is artificial to separate education out as a separate issue. There was a case stated for renaming the third sub-committee. The sub-committee should consider what the mutual roles and responsibilities of the state and individuals are. What does the state want to do? Should there be incentives and sanctions? On another sub-committee, there was a suggestion that families and family responsibility are two separate issues and the sub-committee should strike responsibility from its title.

The opinion was expressed that the language and objectives of the sub-committees will change as the groups move forward. There is no need to get hung up in language now unless it is really important.

Another member pointed out that he thought that the first two groups (work and family) deal with facts while the third (social contract/health and education) deals with philosophical ideas. The Commission needs to think in these broader philosophical terms, for example, the role of the state to families and families to the state, how we deal with national trends, what we can contribute to the national agenda.

It was also pointed out that a "covenant" of mutual responsibility runs throughout all recommendations of the groups so it is confusing to have social contract as a separate topic for a separate sub-committee. The title of the sub-committee does not and should not entirely restrict the group's discussion. It can be called Health and Education and still, like the other sub-committees discuss a new social contract or social covenant.

It was also pointed out that the paper outlining the topics for discussion by the sub-committees is an effort to list some topics worthy of attention by the sub-committees and is not meant to include every topic which can be discussed or exclude any topic the sub-committee thinks is relevant. Each sub-committee is free to add topic focuses within the general framework of their list.

The assignment of Commissioners to sub-committees was then addressed by Mr. Civiletti. Each Commissioner was assigned to only one sub-committee of their choosing in order to evenly distribute work effort and focus attention. While the input of non-members to the Commission is welcome in the sub-committee process, the consensus of the sub-committee should be only that of Commission members.

Sub-committee reports will be subject to the approval of the entire Commission. (Editorial Addition: In response to concerns expressed during and after the sub-committee meetings, it is important to stress that the sub-committee meetings are for the Commissioners to talk to one another and come to a consensus on the issues it will address and recommendations it will make. The input of non-Commission members is valued, but should be given on request or after seeking recognition from the Chair of the sub-committee.)

For consistency, recommendations of the sub-committees should consider criteria to establish common bases. Administrative and budget consequences must be considered. In testing a proposal we need to be sure that the proposal meets the broad general standards that the Commission adheres to. Proposals should not be antagonistic to each other. The principles which have been developed were meant to harmonize the concepts and objectives we would like they system to achieve. Proposals will be measured against common objectives--the population affected, purpose to be achieved, rationale and costs. The principles are to be used to measure and evaluate the products of sub-committees.

Secretary Colvin expressed concern that the Commission is running out of time. The Governor is seeking advice for his legislative agenda for the next session. Members of the legislature are also interested in the specifics of what the Commission will recommend. The focus is too broad and needs to be narrowed. The group seems to be moving away from focused discussion. We have a better chance of accomplishing something at the state level if we tie in with national efforts.

It was then noted that every suggestion must go through a cost/benefit analysis. Where there are additional funds needed, a source should be identified. Some ideal proposals can't be made due to cost.

Basic tenets of President Clinton's welfare reform plan were provided by Marion Pines and distributed. The plan consist of four main principles:

- 1) Make work pay
- 2) Dramatically improve Child Support Enforcement
- 3) Provide education, training and other services to get people off and stay off welfare
- 4) Create a time limited transitional support system followed by work.

It was suggested that the Commission should not make recommendations which are not in keeping with these Presidential aims.

The objectives and principles of the Commission were then addressed. The first four objectives deal with substance and philosophy while the others are administrative. There was considerable discussion whether to adopt those suggested by Chairman Civiletti, those held by the Clinton Commission or some combination. Some were thought to be too vague, others too prescriptive. One of the members asked for DHR's position. Secretary Colvin indicated that she would like to share her views with the Commission. She expressed the hope that the Commission does not move Maryland in an unplanned way. The impact of the total welfare package on the working poor must be considered. A time limited system assumes child care, training and creation of jobs. We must carefully determine what recipients we are targeting, for what and under what conditions.

The discussion of objectives and principles was tabled and the subject matter of the sub-committees again taken up. Each sub-committee can use its best judgement on its agenda. It is essential that cost, rationale, and population to be affected be considered in the proposal presented.

The 57 program simplification issues which were prepared by APWA (American Public Welfare Association) were mentioned. Several Commission members asked if the points had been prioritized. Subsequent to the meeting DHR received a list of the priority issue from APWA. This list is attached to these minutes.

Chairman Civiletti introduced Bob Rudy and Jamie Dunbar who will be available to assist the Office of the Attorney General staff who can offer legal assistance to the sub-committees.

The May 6, 1993, letter from Clayton Mitchell agreeing to defer action on six bills relating to the Department of Human Resources was mentioned. Copies of the bills, fiscal notes and agency testimony regarding the bills will be sent to Commission members in the near future in a separate mailing. The sponsors of the bills will be invited to a Commission meeting to explain the bills and what they hoped to accomplish. Sub-committees should determine which bills fall under their subject to that a Commission position can be decided by Speaker Mitchell's deadline.

The issue of a public hearing was discussed. Chairman Civiletti expressed the strong opinion that a hearing should be held. A tentative date of 7/7/93 was established and the members began discussing what should this first public hearing attempt.

Mr. Civiletti then left the meeting, passing the conducting of the meeting to Dr. Stith.

The Commission continued to discuss the proposed 7/7/93 public hearing. The consensus emerged that the 7/7/93 date was too soon, there needed to be time to publicize it and do it right. The consensus also emerged that at this first public hearing, since there was no report for the Commission to react to, the Commission was most interested in hearing from welfare recipients rather than from providers, advocates or the general public. Commission members then discussed a number of logistical issues to be considered such as a non-threatening atmosphere (no Moot Court Room-type place) and getting clients there who might have to travel some distance. It was noted that the Welfare Advocates have collected over 350 survey responses. While they are compiling the responses, they suggested that the Commission members see the actual survey instruments completed by the recipients. The Commission concurred. The Welfare Advocates will give a set of the responses to Commission staff. (Editorial note: Staff are planing to provide a complete set to each Commission Member.)

After much discussion, agreement was reached that a hearing should be held as part of the regularly scheduled July 27 meeting with the sub-committees meeting from 4:00 to 6:00 and the public hearing going from 6:00 to 9:00 p. m. Dr. Benjamin agreed to act as coordinator for the Commission and the DHR staff will assist him.

The general session of the Commission was concluded at 6:15 p.m.

GOVERNOR'S COMMISSION FOR WELFARE POLICY

Minutes - September 7, 1993

Present

Georges Benjamin
Calhoun Bond
Benjamin Civiletti
Carolyn Colvin
Barbara Hoffman
Dana Jones
Susan Leviton
Earl Linehan
Patricia Mannion

Charles Obrecht
Thomas Perkins, III
Marion Pines
John Folkemer for N. Sabatini
Leonard Sachs
Harold Smith
Rosetta Stith
Constance Tolbert

Absent

Frederick D'Alessio
Dallas Evans
Ethel Murray

Marcus Wood
Kenneth DeFontes

The meeting was called to order at 4:20 P.M. by Chairman Benjamin Civiletti. He thanked the participants in the sub-committees and workgroups for their work. He said that the report is due to the Governor by the end of October. There needs to be time for public comment and time to make changes resulting from the comments; therefore, the preliminary report is needed by the end of September. Tonight's meeting is intended to develop agreement on issues. There will be time limits on the discussion of topics in order that all 20 issues can be voted on. Mr. Civiletti outlined the negative aspects of the current welfare system and said that the new system should encourage responsibility and opportunity and making work pay. The system has a better chance of working if work doesn't make the client worse off. Some proposals which need discussion and refinement will be placed in part two, Areas for Discussion.

The Commission then discussed, in some cases amended, and voted on Areas of Agreement. The text of the amended Areas of Agreement is given as Attachment A. A tally sheet of the votes on the 20 issues listed as Areas of Agreement is given as Attachment B.

In discussing Item #1, it was emphasized that children should not be punished for non-compliant behavior of parents.

Item #6 - clarification was needed of "while engaged in the system". Daryl Plevy clarified that we are not addressing the working poor not in the system. Question was raised regarding use of the word "supplemental". The statement was revised to "While engaged in the system, persons able to work should have medical benefits".

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Item #7 - The need for child care may not be universal. The statement was revised to "While engaged in the system, persons able to work should have child care as needed".

Items #8 and #9 - needed greater discussion. These were held for Section 2 discussion and subsequently voted on.

Item #11 - DHR needs to address whether they are capable of completing screening and assessment at initial application. The obligation of the client won't kick in until the state fulfills its responsibility. The question of who will do the assessment was raised. Staff is needed that is capable of making determinations. The statement was revised to "Screening and assessment to determine needs and capabilities will take place at the time of initial application".

Item #12 - There was question regarding the remedy if the State doesn't perform. The State can't take action against the individual if the State doesn't perform. The statement was revised to "A contract which indicates mutual obligations will be completed at the time of completion of the screening and assessment".

Item #14 - There was considerable discussion on this issue. Commissioner Hoffman cautioned against promising revenue neutrality when the new system will incur additional costs in the first years. Commissioner Colvin pointed out that revenue neutrality is required for Federal waivers. In order to get public support of welfare reform, we need to make it clear that the goal is to save money. The statement was revised to, "An aim of the new system should be toward revenue neutrality in the long run".

Item #15 was clarified to point out that all services come from the same site and the client goes to only one site. The statement was revised, "To the extent possible, the client will be able to receive a variety of services at a single site".

Item #16 was revised to "The system should encourage interagency staffing and coordination of services among all state, private and non-profit agencies".

Item #17 was revised to "Parenting education should be part of the system".

Item #18 was deferred for Dr. Benjamin's workgroup to address. No vote was taken.

Item #19 - Public service jobs should be one alternative for people who can't find jobs. Public service jobs serve as a safety net for cooperative clients. The funding source for these jobs must be considered. This item was held for discussion of Section 2 items and then reworded and voted on.

Item #20 - There was considerable discussion of this item. It is not much different from current policy but there needs to be a mechanism for dealing with situations when paternity can't be established. The statement was revised to "To the extent possible, the system should require establishment of paternity as a condition of eligibility".

Section 2 - Areas for Discussion

Item 7 Drug Abuse Counseling - Daryl Plevy asked for a straw vote to determine whether some form of substance abuse counseling should be part of the recommendation. The need to make a policy decision on what to do about drug abuse was expressed. Should drug addicts be put in the Assisted Track? What should we do with them? One solution is to put them in the sustained track and change their developmental activities. The issue of substance abuse is bigger than this Commission. Commissioner Colvin wants a protective payee system for children. The cooperation of the Health Department and the Governor's Commission on Drug and Alcohol Abuse is needed. A subgroup should be set up to address this issue. (The issue was subsequently deferred to be handled by Dr. Benjamin's workgroup.)

Item 6 - Two parent families - The current system discourages two parent families. Penalties discourage recognition of the male in the household. We should recognize the male in the household and treat his income as income to the household. Households containing males have two potential wage earners. The issue will be discussed by the Family Responsibility Group at the September 23 meeting.

Teen Parents - People who come on welfare youngest stay on the longest. We don't know how many AFDC children have children. We can make a difference if we focus on children who are having children. The Family Responsibility group believes this population deserves priority for every service. Commissioners Smith and Linehan were invited to the next meeting of the Family Responsibility Group where teen parents will be discussed.

Commissioner Leviton raised the issue that AFDC is a safety net for children and we seem to be changing it to a jobs program. The response was that we are trying to move people out of poverty so the children will be better off. Dollars won't fix the current problem as the system is broken. Elements of change must be related to the primary mission as the Commission is redefining it.

Time Limits and Implications

Commissioner Pines led a discussion of the draft of a document on the Family Investment System. The Family Investment System is a proposal that has been developed to replace the current income

maintenance system. The Family Investment System has a heavy emphasis on getting a job and looking for work. While participants improve their skills and seek employment, the program will:

- Eliminate unconditional income maintenance
- Build a transitional service system; emphasizing education and job training
- Make skills training or entry-level employment a condition of continued eligibility
- Solicit participation of the private sector in providing jobs
- Provide incentives for work that will offer better financial rewards than those of public assistance programs
- Emphasize the responsibility shared by both parents for their children
- Retrain DHR staff to stress jobs and family self-sufficiency underscore protection of affected children during the reform process
- Build interagency cooperation.

The Family Investment System has identified three tracks in order to meet the obligations of the contract.

The Express track will assist individuals with recent work experience and educational skills equal to a high school diploma or GED. This track will assist most individuals to move directly into jobs.

The Assisted Service track will serve individuals who need to develop skills or education to obtain employment.

The Sustained Assistance track will aid individuals who are unable to develop skills or education that lead to employment (i.e. those with disabilities, caretaker relatives, extensive educational needs).

It was pointed out that a basic problem of the model was that it does not deal with low income workers who work on and off over the year. Once a job is secured the person is ineligible for assistance for 24 months. When the job is lost they can't return to assistance.

There are two types of populations, those who comply and those who do not comply. There was a concern that for those who do not comply the system will drop a huge number of children into foster care. This issue will be addressed in a meeting conducted by Daryl Plevy scheduled for Thursday, September 9, 1993.

Another concern was that for those who comply, what happens when jobs cannot be found? It was mentioned that public sector jobs would be created from the money saved by time limitations. Community service would also be an employment approach.

Areas for Discussion #1, Freezing Family Size, and #3 Family Planning will be discussed on September 23rd. It was noted that the issue of freezing the family size has not been voted on in spite of the fact that it appears on page 4 of the draft of the Family Investment System.

The meeting was adjourned at 8:40 P.M.

Next meeting is Thursday, September 23rd, in the usual location.

GCWP97

7. While engaged in the system, persons able to work should have child care as needed.
8. Some level of protection should be in place for those persons who are fully cooperative.
9. Resources should be available to protect children in families if parents refuse to work.
10. Participation in activities will be a condition of eligibility.
11. Screening and assessment to determine needs and capabilities will take place at the time of initial application.
12. A contract which indicates mutual obligations will be completed at the time of completion of the screening and assessment.
13. The new system should encourage two-parent families.
14. An aim of the new system should be toward revenue neutrality in the long run.
15. To the extent possible, the client will be able to receive a variety of services at a single site.
16. The system should encourage interagency staffing and coordination of services among all state, private and non-profit agencies.

ATTACHMENT A

SECTION I AREAS OF AGREEMENT

As Amended 9/7/93

1. The family has primary responsibility for children.
2. Any system developed should make work more attractive than welfare.
3. The child support enforcement system should be as strong as possible.
4. The system must incorporate ways to increase the responsible role fathers must play.
5. A family's income will no longer be automatically maintained.
6. While engaged in the system, persons able to work should have medical benefits.
7. While engaged in the system, persons able to work should have child care as needed.
8. Some level of protection should be in place for those persons who are fully cooperative.
9. Resources should be available to protect children in families if parents refuse to work.
10. Participation in activities will be a condition of eligibility.
11. Screening and assessment to determine needs and capabilities will take place at the time of initial application.
12. A contract which indicates mutual obligations will be completed at the time of completion of the screening and assessment.
13. The new system should encourage two-parent families.
14. An aim of the new system should be toward revenue neutrality in the long run.
15. To the extent possible, the client will be able to receive a variety of services at a single site.
16. The system should encourage interagency staffing and coordination of services among all State, private and non-profit agencies.

17. Parenting education should be part of the system.
18. A health policy for children should be investigated, and to the extent possible, developed.
19. Public service employment or community service should be considered for parents who fully cooperate and are unable to find work.
20. To the extent possible, the system should require establishment of paternity as a condition of eligibility.

ATTACHMENT B

Areas of Agreement

Voting Record

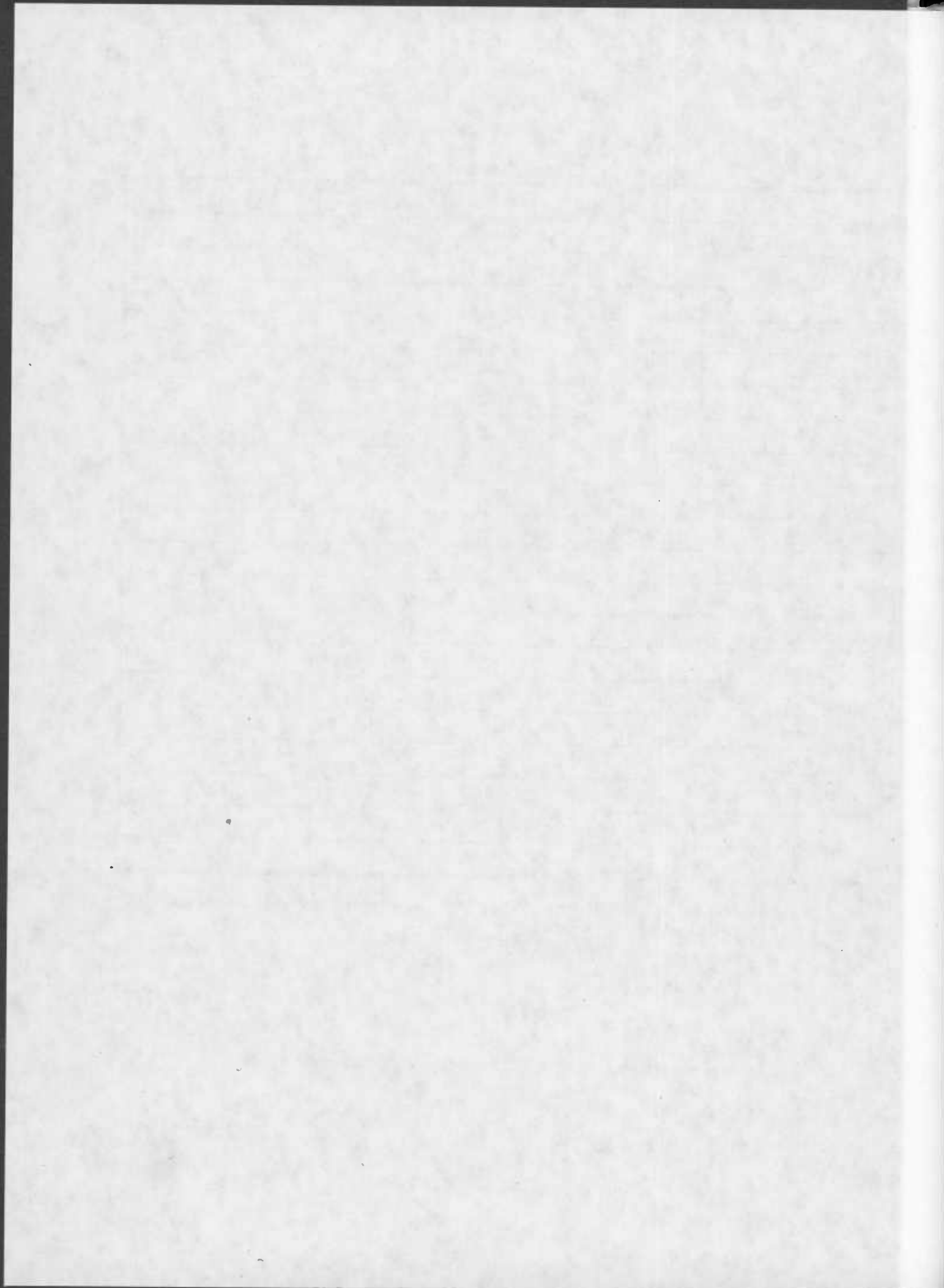
Issue #	Agree	Disagree	Abstain
1	13	0	
2	13	0	
3	13	0	
4	13	0	
5	13	0	
6	13	0	
7	13	0	
8	13	0	1
9	12	0	2
10	12	0	1
11	12	0	1
12	13	0	
13	13	0	
14	12	0	1
15	13	0	
16	14	0	
17	12	2	
18			
19	13	0	2
20	15	0	

Differences in total number of votes are due to differences in numbers of Commissioners present.

Commissioner Hoffman said the legislature should be asked to present their ideas at the next Commission meeting.

Chairman Civillanti reported that he met with the Welfare Advocates and discussed their concerns. He also met with a coalition of groups interested in the work of the Commission - Maryland Food Committee, Health Care for the Homeless, and the Homeless Persons Representation Project.

The minutes of the September 7, 1993 meeting were left open for the submission of written comments or changes.



GOVERNOR'S COMMISSION ON WELFARE POLICY

MINUTES

September 23, 1993

Present

Georges Benjamin
Calhoun Bond
Benjamin Civiletti
Carolyn Colvin
John Dillon (for F. D'Alessio)
Barbara Hoffman
Dana Jones
Susan Leviton
Patricia Mannion

Charles Obrecht
Thomas Perkins III
Marion Pines
John Folkemer (for N. Sabatini)
Leonard Sachs
Harold Smith
Constance Tolbert
Marcus Wood

Absent

Dallas Evans
Earl Linehan

Ethel Murray
Rosetta Stith

The meeting was called to order by Chairman Civiletti at 4:30 P.M. He began the meeting with a review of the agenda and stated the objective of the evening's meeting. The deadline for the report to the Governor is October 31, 1993. It is a preliminary report but must be as complete as possible so that necessary legislation can be considered at the upcoming session of the General Assembly. The report will be put out for public comment on October 5, 1993.

There was discussion on how the six bills which were deferred from the last session are to be handled. The meeting to discuss them was put off at the request of Speaker Mitchell. The Commission may meet with the sponsors of the bills or invite them to a meeting. Chairman Civiletti asked that DHR enlighten the Commission on its position on the bills.

Commissioner Hoffman said the legislators should be asked to present their ideas at the next Commission meeting.

Chairman Civiletti reported that he met with the Welfare Advocates and discussed their concerns. He also met with a coalition of groups interested in the work of the Commission - Maryland Food Committee, Health Care for the Homeless, and the Homeless Persons Representation Project.

The minutes of the September 7, 1993 meeting were left open for the submission of written comments or changes.

Unresolved Issues from the September 7, 1993 MeetingFamily and Family Responsibility Workgroup:Family Planning and Teen Parenting

Commissioner Leviton reported on this issue. The Commission's work in this area relates to DHMH, DEED, and Education as well as DHR. We must look to the role of DHMH and Education in preventing the first and subsequent pregnancies. Planning services for teen parents is difficult because we don't know who they are. A program for teen parents should be created within DHR. This population should be targeted to prevent long term dependency. A separate program and system should be created for teen parents. They should be required to come to the welfare office for service whether they are payee of the grant or included in the head of household's grant. Teen parents should have certain requirements and responsibilities - establishing paternity, staying in school, or a training program until they reach age 18, or graduate, participating in prenatal and postnatal programs at the hospital. Currently there is no coordination of programs. Young families need intensive case managers to coordinate available services. The elimination of the Single Parent Service left no program now targeted to this population. These services could be contracted out in urban areas. Steps taken to prevent the first pregnancy include starting sex education in the fifth grade, emphasis on life options, PACT (Parents and Children Together) programs, and providing health care and family planning. There was also a discussion of increased Medicaid funding for abortions. Proponents expressed the opinion that this was an equity of access issue since abortions are legal in Maryland. Opponents of the Commission taking a stance on this issue expressed the opinion that raising it would detract from the Commission's mission. (A vote was taken later. See below.)

What happens to children of parents who don't cooperate?

Laura Kaufman from DHR/SSA presented the plan developed by the Social Services Administration. There will be a single point of entry and intervention. When a family has two consecutive months of disallowance, a caseworker will go to the home, make an assessment and provide services. The caseworker will be a source of linkage and referral. If the client continues to be sanctioned for six months, another assessment is made. Caseworkers will also look at cases having a pattern of disallowance. If there are four months of disallowance within a twelve month period, a social worker will be sent to the home. Some cases would be assigned to a social worker up front, most probably cases having previous involvement in child protective services and the homeless.

A number of issues were raised during the presentation. How can we help the client to comply with program requirements? Would removal

of the child from the home result from the contact with the social worker? Is there an obligation to prove the family is getting enough money? It was noted that under current Maryland Law, lack of resources doesn't constitute proof of abuse or neglect.

The issue of the substance abusing parent was raised. Commissioner Benjamin, who is the chair of the medical workgroup, felt that they should stay on the grant until treatment becomes available. There should be a special program for these individuals. Perhaps a Federal waiver program can be designed and applied for. There should be no penalty if the system can't respond to client needs. There is an issue of cutting someone off who has asked for help that we can't provide. Mention was made that according to one study, approximately 8% of the women of child bearing age are substance abusers. Waiting lists for treatment programs are inaccurate. It is difficult to find out how long the wait for services will be. We need to address this issue as a major barrier.

Child Support Recommendations

Commissioner Mannion reported on the Subcommittee's child support recommendations and referred to pages 6 through 9 of the September 21, 1993 draft. The Commission voted at the September 7, 1993 meeting to accept the Department's child support recommendations. Attention was directed to the three items listed on page 7. Another item was added to this list, "fathers with limited ability to support have access to JPTA or other training". It was also suggested that a father who refuses to support or accept training should be made to perform community service.

Commissioner Hoffman requested clarification of lines 34 to 42 on page 8. On line 40, she suggested changing the word "increase" to "support" as she thinks that the child support system in Maryland is already efficiently managed.

Commissioner Leviton suggested targeting Child Support Enforcement efforts to mothers moving out of the AFDC system in the same way that priority is given to Project Independence participants.

Encouraging Two Parent Families

Commissioner Mannion reported on this issue. At the September 7, 1993 meeting, the consensus of the Commission was that two parent families should be encouraged. The Commission should support development of policies that don't require abandonment in order to obtain benefits, elimination of "100 hour" and "quarters of coverage" rules in the AFDC-UP program, revamping of the state EITC to be available in the check when the individual is paid, publicizing the EITC, allowing non-custodial fathers to become part

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of JOBS (PI) training programs, giving fathers under 22 priority for JTPA, support Delegate Currie's bill altering eligibility for AFDC UP and stepparent cases, and having DEED give preferential treatment to people whose children are being supported by the state. Commissioner Pines pointed out that the Commission shouldn't pick on just one funding stream (DEED), but should target educational programs also. Commissioner Hoffman said that the plan should include incentives to marriage.

Freezing Grants

The workgroup was divided on this issue so a representative from each voting group presented to the Commission.

Commissioner Mannion said that 17 states had introduced "family cap" legislation, and New Jersey is the only state which has implemented the policy of denying increased AFDC for a child born after 10 months following entry into AFDC. There is no evidence which links funding with birth rates. "Family cap" is, however, linked to Medicaid funding of abortions.

Commissioner Jones presented another viewpoint. Fifty percent of the teenagers on AFDC have another child while on AFDC. Thirty eight percent of women on AFDC have an additional child. The state can not afford program expansion, if it continues to provide for additional children. The issue of personal responsibility must be addressed.

Commissioner Hoffman suggested that the Commission vote on Medicaid funding of abortions. The vote was 14 for, 1 opposed, and 1 abstained.

A vote was taken on capping cash payments at the family size at the time of application. There would be exemptions for births resulting from rape or incest, births taking place within 10 months from the initial application for benefits, and for the applicant's children moving back to the family who were born prior to the initial application, but were not living with the applicant at the time of the initial application. The vote was 11 for, 4 against, and 1 abstained.

Report from the Health Insurance Workgroup:

Commissioner Benjamin reported on his workgroup's conclusions. Medicaid is an integral component of the welfare system. Health care may be a reason for coming on assistance or a barrier to going off. There are 650,000 medically uninsured in Maryland. Of these, 330,000 are working poor. People often lose health insurance when they leave welfare and transitional benefits are not well utilized. Medical insurance is often a barrier to family formation. Medicaid is an entitlement program under Title XIX and changes will require a Federal Waiver.

All states are recommending extension of health care benefits. Individuals without health care benefits often delay seeking care and are hospitalized more frequently. Health benefits for non-compliant families which are being sanctioned should continue. The needs of the working poor need to be considered. It will cost \$100 million to insure everyone in the state who is uninsured.

Substance abuse treatment should be required where available as part of eligibility requirements. Individuals awaiting treatment slots will be required to attend AA or NA meetings. There are 70,000 treatment slots available. How many are available to people without funds needs to be determined. We need to look at a Federal waiver to allow for funding of inpatient beds for abuse treatment. The issue of how to pay for extended services was raised. One solution is to use the savings from moving people off the system faster.

Commissioner Benjamin indicated that the plan requires more staff work and cleaning up.

Other Issues

Commissioner Obrecht said that he is in disagreement with the Family Investment system. The plan has flaws and doesn't address the fundamental issues. He is concerned with coming up with better public policy. There is nothing new in this system and strong evidence that it won't work. The Abell Foundation has hired the consultants who did the Oregon system. We need to examine their work. We should consider basic, fundamental change.

Commissioner Hoffman had several questions:

What is the definition of able bodied?

Page 3, line 35, what is no fault?

Page 4, line 35 to 38, how do we plan to set up centralized resource centers?

Chairman Civiletti said the Commission needs to meet prior to the scheduled meeting on October 5. We need to vote on the Family and Family Responsibility issues and discuss questions on the plan. The Commission agreed to continue the meeting on Friday from 11:00 A.M. to 2:00 P.M. in Mr. Civiletti's office.

The meeting was recessed at 8:40 P.M.

SEPTEMBER 24, 1993

The meeting reconvened at 11:25 A.M. The following Commissioners were present:

Benjamin Civiletti	Marion Pines
Dana Jones	Constance Tolbert
Susan Leviton	Marcus Wood
Patricia Mannion	

Daryl Plevy distributed vote sheets to guide the discussion of issues requiring a vote.

Chairman Civiletti began the meeting by saying that the Commission is experiencing problems with time constraints and a proliferation of issues. According to the revised Executive Order, a final report is due June 30, 1994. The October 31, 1993 report is a report of initial findings. The language of the Executive Order allows the Commission freedom in selecting issues to include in the October 31, 1993 recommendations. Other issues can be part of the interim or final report. There are too many issues with which the Commission has not dealt. These issues will be subjects for later work as will the report of the Health Workgroup. Time restraints will not permit the Commission to consider papers still in process such as the report from the study group commissioned by the Abell Foundation and the report from the coalition group. The initial report is the first step in the debate with the public, legislature, and administration.

The Commission should put its best effort into the initial draft and revise the draft based on comments. Issues not addressed can be the subject of another report. Meanwhile, DHR is expected to apply promptly for needed waivers if the Governor approves of the Commission's recommendations.

Revisions to Family Investment Plan

Commissioner Pines discussed how the September 21, 1993 version of the plan differed from earlier versions. The revised plan is no longer proposing to put people in tracks as the result of an initial screening. Able bodied clients will go into job finding activities such as job clubs and life skills training at community based centers. If they find a job, the cash portion of the case will be suspended for 6 months. This will enable the case to be more readily reopened if the job is lost. If the client can not find a job, a fuller assessment of barriers will be made, a family service agreement will be signed and a training related incentive of \$6.00 per day will be paid. If the client doesn't cooperate, there will be progressive payment sanctions. The first sanction is 20% of the grant and subsequent sanctions are 10% of the remaining grant. If the family is sanctioned for two consecutive months,

there will be intervention by a social worker. Questions raised at this point were:

- 1) Should there be a consistent way of handling all non-compliance?
- 2) Should there be a waiting period before coming back on welfare if a client quits a job after six months?

If the family is cut off, we need to do something for the children. The options need to be described. Resources must be devoted to helping people keep jobs. Work should be done with community resources to reinforce success on the job. The plan doesn't envision a waiting period for coming back on welfare after a period of employment.

The issue of time limits was discussed. Assisted (development) track participants can stay on welfare up to 18 months. If they do not get a job, they are assigned to community service. The community service must be beneficial to the community.

Daryl Plevy questioned whether part time workers are required to do something else. Chairman Civiletti responded that the objective is 36 hours of participation. The time is flexible depending upon those activities involved in the individual's self-sufficiency plan. This dictates how the time is really spent. Individual plans will be designed.

Discussion of specific sections of the report

Single Need Service (page 3)

Utah says that 20% of the applicants select this option and only a small number come back. The service needs to be means tested. An applicant can be eligible for the equivalent of up to three months of AFDC capped at the level of a family of three. If they come on welfare within six months, the grant received is debited on a pro rata basis against the benefit.

Activities Promoting Employment (page 3)

It was pointed out that there is not funding for the services proposed in line 39 and 40. This needs to be a wavier request.

Page 9, line 3 - Young father's programs should be available to the extent that resources are available.

Putting Children First - This section is okay.

The issue of separate households for teen mothers was raised. Should minors be allowed to be payee of their own check or should there be protective payees for minors who have their own households? What is the age of responsibility?

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Putting Children First - This section is okay.

The issue of separate households for teen mothers was raised. Should minors be allowed to be payee of their own check or should there be protective payees for minors who have their own households? What is the age of responsibility?

Commissioner Jones said that the program should not encourage work or training until the teen parent gets a high school diploma.

Issues from "Other Votes"

#4 "Should students stay in school until age 18 or graduation whichever comes first?" was changed to read "Should student stay in school or develop mentally appropriate activities until age 18 or graduation whichever comes first?" DHR should provide an intensive case manager who will provide needed linkages.

#6 "Should we recommend that the department of Education teach sex education and life options by grade 5?" was withdrawn.

Other Issues

Chairman Civiletti said there were no controversial issues that needed to be referred to the whole Commission. An additional section of the report dealing with two parent families is needed.

Commissioner Leviton expressed concern that sanctions would reduce the child's benefit. Commissioner Jones said the parent benefit is eliminated with the first 20% sanction (\$73.20 for a 3 person unit). The second and subsequent 10% sanctions reduce the child's benefit. Although 95% of sanctioned individuals eventually comply with Primary Prevention Initiative requirements, the issue remains of when do we intervene to protect the child.

Commissioner Mannion suggested that any cost savings resulting from the Family Investment System be made available to the welfare population. No cost savings are anticipated however.

Chairman Civiletti then discussed health care. The system needs to provide better medical benefits for people who move off the welfare rolls. There needs to be a close the gap program for a limited period of time until the proposal for national health insurance is debated, passed and implemented.

Commissioner Jones asked if cost avoidance can be tied to the model suggested by the Health group? Other questions were; What is the net cost? Should it be a priority? Can we create continued benefits as part of a pilot?

The issue of implementing the new system was discussed. A phase in is needed which could be done geographically. A two year pilot was suggested with system-wide phase in the third year. Consideration must be given to the Service Delivery Areas where employment services are set up.



Chairman Civiletti directed the staff to go forward with changes to the report emanating from the decisions and discussions of this meeting and issue a draft to Commission members. If there are specific questions or guidance is needed, they should raise the issue with Commission members. It will be up to the Commissioners to raise objections, make changes. If there is need for a vote on any issue, it will be taken at the October 5, 1993 meeting.

The meeting was adjourned at 2:05 P.M.

TO: Members of the Governor's Commission
on Welfare Policy
HR and Cabinet Liaisons to the Commission
Others interested in Welfare Reform in
Maryland

FROM: Gary Plevy *DLP*

RE: Next Meeting on October 23, 1993

The next meeting of the Commission will be on Monday,
October 23, 1993 from 8:00-9:00 P.M. in the Lower Level
Conference Room of the University of Baltimore Law
School, Maryland and Mount Royal Avenue.

I am also enclosing a copy of the minutes of the
October 5, 1993 meeting.

If you have any questions, you may call the Commission
Office at (410) 337-0372.

WV:MLG

ENCLOSURE



GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes

October 5, 1993

GOVERNOR'S COMMISSION ON WELFARE POLICY



DATE: October 12, 1993

TO: Members of the Governor's Commission
on Welfare Policy
DHR and Cabinet Liaisons to the Commission
Others Interested in Welfare Reform in
Maryland

FROM: Daryl Plevy *DP*

RE: Next Meeting on October 25, 1993

The next meeting of the Commission will be on Monday, October 25, 1993 from 4:00-8:00 P.M. in the Lower Level Conference Rooms of the University of Baltimore Law School, Maryland and Mount Royal Avenues.

I am also enclosing a copy of the minutes of the October 5, 1993 meeting.

If you have any questions, you may call the Commission Office at (410) 333-0278.

DP:RL:g

Enclosure

MARYLAND DEPARTMENT OF HUMAN RESOURCES

311 W. Saratoga St. · Baltimore, Maryland 21201 - 3521 · TTY 333 - 0017
Equal Opportunity Employer

GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes

October 5, 1993

Present

Georges Benjamin
Calhoun Bond
Benjamin Civiletti
Carolyn Colvin
Frederick D'Alessio
Dallas Evans
Barbara Hoffman
Dana Jones
Susan Leviton
Earl Linehan

Patricia Mannion
Charles Obrecht
Thomas Perkins, III
Marion Pines
John Folkemer for Nelson Sabatini
Leonard Sachs
Harold Smith
Rosetta Stith
Constance Tolbert

Absent

Ethel Murray

Marcus Wood

Chairman Civiletti called the meeting to order at 4:20 P.M.

Review of House of Delegate Bills referred to Commission by Speaker Mitchell

During the 1993 legislative session, action was deferred on six bills pending review by the Commission. The subject matter of some of the bills became part of the Family Investment System (FIS) proposal while others were not addressed. The Commission invited sponsors or their representatives to appear and present their views.

Shegoftah Queen who represented Delegate Sheila Hixson read testimony on HB 788, which would prohibit the State from reducing grants for PPI sanctions until parent training or skills services were provided.

Thomas Schmidt, who represented Delegate Ellen Sauerbrey, discussed HB 949 which would require the finger-printing of applicants for public assistance benefits. Fingerprinting of clients has been implemented in two counties in New York and in Los Angeles County, California. Los Angeles County reported savings of \$5,400,000 in the first six months of the project. Results of the New York project are not yet available. Maryland does not have a problem with multiple issuances. Less than 1% of case errors result from this factor.

Delegate Richard Rynd submitted a letter regarding HB 834 which would limit benefit payments to the number of children present in the case at the time of its opening. This concept has been discussed and approved with modifications by the Commission.

Recent changes/modifications to FIS

Commissioner Pines reviewed recent changes to the FIS draft.

We have revised the Single Need Service to pay the equivalent of three months of AFDC benefits in a cash grant to families which have an emergency need. If recipients of the single need grant came back on assistance, the grant already received would be prorated and deducted from the ongoing grant over a six month period. There is still the need to develop parameters for these benefits.

We revised the "Intake System" so that people are not immediately put into tracks based on experience and education. The current plan has no tracks. We expect everyone to participate in life skills/job search activities to the extent of their abilities. Those who are not successful will get an employability plan. The Job Incentive Bonus (JIB) will be retained but is not as critical as the Earned Income Tax Credit (EITC). Changes to the state EITC will be recommended.

We will suspend grant payments for six months when a client gets a job. This procedure will make it easier for the agency to reopen the case if the client loses the job. Job coaching and support will be provided.

Penalties have been revised. There will be no grant forfeiture for failure to comply with program requirements. Instead there will be a progressive and aggressive corrective action plan with fiscal sanctions that increase with the length of time the person is non-compliant. Social Services will become involved after two months of sanction.

The JIB will fill the gap between earnings and 50% of the Minimum Living Level. There will be a training bonus of up to \$125 per month while in training.

There will be time limits. A person can participate in up to 18 months of developmental activities and will be required to participate in community service if they have not obtained a job at the end of that time. There will be no incentive payment for community service. An individual employability plan will be developed for each recipient.

The plan supports extensive child support activities. Legislation will be needed to make these changes.

Cash benefits will be capped at the level of the family size the recipient had when they came on welfare. There will be a ten month grace period and exceptions will be made for pregnancies resulting from rape or incest.

The new program will be phased in over a period of years with pilots in several sites. Where possible, community based inter-agency staffed intake centers will be used.

The need for evaluation of the proposal was discussed. Research and evaluation components are required in order to get the necessary Federal waivers. We will add a section on evaluation in the draft report.

Members noted that the report needs to have information on interagency cooperation and to acknowledge the Service Reform Initiative. The Sub-Cabinet on Children, Youth and Families needs to be acknowledged.

Teen parents and the lack of information concerning this population were discussed. The report needs a section on demographics. We will add this to the draft report. The Department of Education should report the number of teen parents in each school and add this information to the school performance system reports.

Costs of the new program were also discussed. FIS will not be cost neutral in the first year. It is, however, expected to be cost neutral over the three to five year demonstration period.

Areas for Discussion and Resolution

Progressive sanctions would be imposed for failure to participate in the plan. Kathy Cook, Acting Executive Director of DHR's Income Maintenance Administration, reported on several sanction options. She distributed charts showing the impacts of four options over a six month period. Numbers used were based upon percentages of able bodied clients (63,000). In some instances, clients will be sanctioned for non-compliance with FIS and PPI at the same time. This possibility needs to be examined further.

In several options, the client must comply with program requirements for 30 days before benefits are restored. Benefits would not continue to decline, but this procedure was viewed as imposing an extra month's sanction.

Concern was expressed regarding taking away the benefit floor for children. The issue of intervention before sanctioning was raised. Should a social worker visit the family prior to sanctioning instead of waiting until the client has been sanctioned for two months? Should intervention be advanced to the first month of sanctioning? The need to define compliance was raised. How do we determine what constitutes compliance and how to correct non-compliant behavior?

Although the Commission members agreed that there should be sanctions for non-compliance, they were unable to agree on the extent of the sanctions.

The Commission then took a break at 6:25 P.M.

The Commission meeting reconvened at 7:10 p.m.

Chairman Civiletti ended the discussion on sanctions by indicating the lack of consensus on any of the options. The sanction process would follow what was outlined on page 5 of the draft report. It would be noted that the Commission has not approved any process, but is considering a system that institutes sanctions that will produce the greatest amount of compliance. He directed that the various options be added as an appendix to the draft report.

Commissioner Charles Obrecht presented a draft welfare reform report prepared by Samuel Black and Charles Hobbs, which was commissioned by the Abell Foundation. Mr. Hobbs is the former Commissioner of Welfare under the Reagan Administration and Mr. Black has similar job experience under the Carter Administration. Their company designed the Oregon program that is currently under waiver consideration.

The Black and Hobbs report as well as a report prepared by the Maryland Food Committee will be appended to the draft report not as approved by the Commission, but as additional information on welfare reform.

Commissioner Obrecht is pleased with the changes that have been made to the Family Investment System Draft Report. However, the Black and Hobbs Full Employment System highlights some of the concerns he still has with the FIS Report. He does not fully agree with or understand all of the components of the Black and Hobbs Full Employment System, however he has outlined 5 issues that bear close review.

Issues:

1. Complexity - the Family Investment System report identifies 14 expanded areas of service on a system that is already overloaded with people who are uneducated or under educated and is requiring more of them. Sanctioning has not been worked out.
2. A fundamental problem remains in getting a better hold on the birth of the first child. Any welfare reform package has to address the birth of the first child.

3. Jobs - there is a need for 30,000 - 45,000 jobs. The current system does not provide jobs. The Full Employment System will create jobs.
4. Training that leads to Full Employment - The Full Employment System will provide a two week training prior to employment. The theory is that the best training takes place on the job and not in the classroom. This proposal will also convert the grant and other benefits immediately to wages.
5. Extensive use of private and community associations.

The theory is you have to get people into the job market.

Chairman Civiletti framed several questions which summarized the previous discussion. How can we expect performance without training? What is the social benefit of just paying someone for a job? What do you do when someone violates their obligations? Where do jobs come from? The answer may be that we pay for them. This supports the work ethic.

Commissioner Jones noted that not everyone is job ready. There is a question of affordability. We may establish a group of the working poor who will continue to need support. At what point do we withdraw support?

There was a recommendation that the staff do a comparison of the Full Employment report and the Family Service Investment report. Commissioner Obrecht stated he has already done that. Chairman Civiletti suggested a one page summary which sets up the principal approach.

Commissioner Pines described this program as a large scale public service employment program paying sub-minimum wages with the AFDC grant. Employers may replace regular employees with welfare clients paying a sub-minimum wage.

Commissioner Tolbert asked what incentive would a person have to move into a better job. Commissioner Obrecht's response was that the experience of work would encourage upward mobility.

The discussion of the Black and Hobbs report was followed by a presentation by Commissioner Georges Benjamin on the Health Care Benefits program. The assumption is that people will leave the welfare system and health benefits will need to be continued. The "spend down" issue is being withdrawn from the draft at this time to rethink this point. At this point the "spend down" piece would cost the system an additional \$18 Million. There is a potential for providing support before entering the welfare system.

Currently, if you spend down your income to below \$400 and have assets of \$3100 in the bank you still would not be eligible for Medical Assistance. Other options that will be looked at are an extension of payments on the health insurance premium and covering catastrophic illnesses of a one time nature.

Dr. Benjamin does not recommend drug screening. This procedure would add costs of \$2.5 Million. However, it was recommended that the report should say that drug treatment "is available" instead of "when available". Currently, drug treatment centers are primarily used by men. Providing drug treatment for women includes the added costs of child care and transportation.

Further recommendations and revisions to the draft were made. Commissioner Hoffman wanted the word "capable" added to the recommendation that welfare mothers may be trained for child care.

Commissioner Smith does not agree that this report is our best thinking. He feels that driving the job system by sanctions is not the right approach. In addition, the abortion issue is a component that will stir up a lot of controversy. Commissioner Civiletti stated that if the jobs are not there, no sanctions will be imposed. The Family Investment System helps people to secure jobs through education, training and moves people to self-sufficiency. He further pointed out that this is an initial report, with additional time to do further research and evaluation with a demonstration project.

Senator Hoffman recommended that we not pick off pieces of the report for passage in the Legislature. If pieces are picked off they may be unworkable without other pieces.

Commissioner Linehan recommends that there be a general statement regarding the piloting of this initiative. Thus far it has not been specified in the report. He also would like to see better focusing on the issues of sanctioning and time limits.

Commissioner Leviton wants the budget amounts to be included in the report. It is projected that \$35 million for employees will come from savings generated with the new system.

The cost of Family Support Centers was brought up. Commissioner Pines indicated that components such as Family Support Centers could be contracted out.

A motion was requested on a vote to distribute the draft report. It was reiterated that a vote in favor of distribution does not say that all the commissioners are 100% satisfied with the report, only that this report represents something for public comment.

The motion was made and seconded. The vote was taken with eighteen Commissioners present, seventeen were in favor of distribution and one opposed.

Revisions to the draft report will be made in time for distribution on Friday, October 8, 1993. Opportunity for public comment will be from October 8 - 21, 1993 and should be forwarded to the attention of Richard Larson, Income Maintenance Administration, DHR, Room 745 311 W. Saratoga Street, Baltimore MD, 21201.

The Commission will meet next on Monday, October 25, 1993, from 4:00 - 8:00 P.M. in the Lower Level Conference Rooms of the University of Baltimore Law School, Maryland and Mount Royal Avenues.

Chairman Civilotti called the meeting to order at 7:25 P.M. The minutes of the October 5, 1993 meeting were approved subject to future changes and/or additions by the Commission members.

Review of Public Comments on Draft Report

Richard Larson reported and presented an analysis of the public comments on the October 5, 1993 draft of the Family Investment System which were received. Approximately 700 copies of the draft were distributed and 23 comments were received by the due date.

Commissioner Bond said that the Commission needs to know Baltimore City's position on the issue. Commissioner Colvin responded that the opinions of all jurisdictions are valuable. Richard Larson pointed out that each Commissioner was given a copy of all of the letters which were received. This included Baltimore City's position.

Commissioner Jones suggested that the Commission concentrate discussion on those aspects of the proposal which received the most comment and/or were the most controversial.

Chairman Civilotti said that the Commission hasn't done enough to discuss teenage pregnancy. Subjects to kids who haven't had children need to be expanded.

GOVERNOR'S COMMISSION ON WELFARE POLICY

Minutes

October 25, 1993



Present

Georges Benjamin
Calhoun Bond
Benjamin Civiletti
Carolyn Colvin
Dallas Evans
Barbara Hoffman
Dana Jones
Susan Leviton
Earl Linehan

Patricia Mannion
Charles Obrecht
Thomas Perkins, III
Marion Pines
John Folkemer for Nelson Sabatini
Leonard Sachs
Harold Smith
Rosetta Stith
Constance Tolbert
Marcus Wood

Absent

Frederick D'Alessio

Ethel Murray

Chairman Civiletti called the meeting to order at 4:25 P.M. The minutes of the October 5, 1993 meeting were approved subject to future changes and/or additions by the Commission members.

Review of Public Comments on Draft Proposal

Richard Larson prepared and presented an analysis of the public comments on the October 8, 1993 draft of the Family Investment System which were received. Approximately 728 copies of the draft were distributed and 93 comments were received by the due date.

Commissioner Bond said that the Commission needs to know Baltimore City's position on the issues. Commissioner Colvin responded that the opinions of all jurisdictions are valuable. Richard Larson pointed out that each Commissioner was given a copy of all of the letters which were received; this included Baltimore City's position.

Commissioner Jones suggested that the Commission concentrate discussion on those aspects of the proposal which received the most comment and/or were the most controversial.

Chairman Civiletti said that the Commission hasn't done enough to discuss teenage pregnancy. Services to kids who haven't had children need to be expanded.

Commissioner Jones said that teenage pregnancy isn't just a welfare issue. Pregnancy prevention is a national issue and the Commission agreed to support the Governor's Council on Adolescent Pregnancy efforts to decrease the incidence of teen pregnancy. Under the new system, teenagers would not be subject to time limits as related to employment, but completion of school would be mandatory.

Corrective Actions and Sanctions in draft report, page 16, line 8, received the greatest number of comments. Chairman Civiletti said there was an apparent misunderstanding of sanctions. Commissioner Pines said that the sanction policy is the most difficult issue around the country in states discussing welfare reform. The Commission might want to recommend investigating the cause of non-compliance before sanctions start. Commissioner Leviton said that there is confusion regarding sanctions. Both PI (Project Independence) and PPI (Primary Prevention Initiative) have sanctions. PPI sanctions seem to work while PI sanctions don't work. Commissioner Colvin said that whatever we do has to be built on what is in place. On the national level, there is the feeling that sanctions are necessary. There is a concern with post welfare case management, and what happens to the family after they exit the welfare system. Commissioner Smith raised the issue of the system's inability to implement progressive sanctions, due to their complexity. Commissioner Pines stated that the Commission has not come to a conclusion on the form of the sanction. Commissioner Colvin said that the APWA is recommending 25% of the grant as a sanction. Chairman Civiletti concluded the discussion by saying the group needs to come back to sanctions after reviewing public comments on other parts of the draft.

Page 17, line 41, service provision through community resources received 40 comments, mostly favorable; pointing out that coordination has to be on a departmental as well as service provision level.

Page 20, line 8, family cap received 16 negative comments. Commissioner Leviton said that a family cap violates the intent of AFDC. There is no correlation between high benefits and birth rates. Statistics indicate that the States with the lowest benefits still had high birth rates. However, Secretary Colvin brought out that those low grant states also had little or no emphasis on teenage pregnancy prevention or other services.

Page 20, line 22, cost neutrality received 12 negative comments and 8 questions.

Child care, page 21, line 9, received 18 positive comments; 1 negative comment and 6 questions.

Proposals regarding eligibility for AFDC unemployed parents, page 22, line 3, were very popular, and received 16 positive comments.

There were twenty five negative comments regarding the cost analysis. Commissioner Leviton said that a budget that addresses all aspects of the proposal is needed. Chairman Civiletti pointed out that budget projections don't always meet program requirements. A good faith effort to determine costs and savings is what is needed.

Chairman Civiletti said that the Commission needs to look at areas which are not in the report. Comments about the Maryland Food Committee's proposal were supportive. The issue of child support assurance needs to be discussed, as well as treatment of poor adults without children.

Commissioner Hoffman expressed concerns regarding the language on page 15, line 46, concerning Medicaid funding of abortions. Special Counsel, Tom Perkins stated that the Attorney General's office may want to offer an opinion on this issue. The document needs to be clear that Medicaid will fund additional abortions without limitation. Senator Hoffman stated the State currently funds abortions which meet certain criteria, out of 100% state funds.

Commissioner Leviton said that the report needs language to make the state EITC refundable (page 22, line 11).

General Discussion

Commissioner Smith raised a question regarding implementation.

Chairman Civiletti responded that implementation will begin in pilot locations. There will be experimental and control groups in each jurisdiction. Two urban areas and one rural area would probably be selected as pilots. If Baltimore City is selected, an entire district would be the pilot for the program.

Commissioner Tolbert emphasised the fact that the report contains initial findings on this and other matters, and is not the final report.

Chairman Civiletti stated that the next level to consider the report is the Governor's Office, Cabinet, and the Legislature. Child support and EITC require state law and all other changes require Federal waivers. Commissioner Colvin said that all waivers have to have Federal approval. Federal agencies are looking at trying to approve waivers within 90 days from receipt.

Chairman Civiletti said that the following issues need to be addressed:

- 1) Sanctions
- 2) Family cap
- 3) Follow up work of Commission, such as:
 - Jobs
 - Teenage questions
 - Housing
 - Adult disabled
 - Elderly.

Sanctions

Commissioner Jones reminded the Commission that progressive sanctions were an alternative to termination from the grant. They give the client an opportunity to change behavior. Progressive sanctions will be a nightmare to administer. Sanctions should be administered at a flat amount which will not cause serious problems continually until compliance is achieved. We must be careful that the sanction doesn't hurt children. It is preferable to start the process of intervention before sanctions are taken, but unaffordable.

Commissioner Colvin responded that she doesn't believe intervention first is a good idea.

Commissioner Leviton said that we don't have enough data to know if sanctions work. We need an assessment of sanctions.

Commissioner Evans expressed concerns regarding what we are going to come out with. Welfare should be time limited. The Commission is not being very creative. There needs to be a progression toward reduction of welfare rolls. Welfare is not giving parents in their formative years an opportunity to progress.

Commissioner Hoffman asked what will be done with the willfully non-compliant.

Commissioner Jones said that welfare clients result from failed "first chance" systems, such as the school.

The issue of sending the report to the Governor without a plan for implementation was raised. Commissioner Jones responded that questions regarding implementation can't be addressed in time to make the presentation. Commissioner Pines stated that the charge of the Commission was to address flaws in the welfare system and to recommend changes.

Welfare systems can't solve all social problems. Commissioner Colvin said that the Commission is not expected to work out implementation plans. The Commission needs to identify what can be done. Commissioner Pines said the system must move toward a work and human capital investment system. Commissioner Leviton asked if the Commission was sending an "initial report" or a "proposal" to the Governor. Chairman Civiletti responded that the Governor wants a proposal. Daryl Plevy then said that the Governor can select items from the proposal for further action, and the Commission can identify the issues in the proposal that need further study.

Chairman Civiletti called for a vote on sending the report to the Governor. Commissioner Hoffman asked what would be done with the comments, and Commissioner Pines suggested that they be attached as an appendix. Commissioner Leviton asked what parts of the proposal are funded. Commissioner Pines responded that DHR Fiscal Staff is currently reviewing the proposal. The cost depends on how the program is implemented. Although the program is expected to be cost neutral in the long run, there will be upfront costs. Commissioner Smith expressed the concern that the report is not the Commission's best thinking on welfare.

A vote was taken and five Commissioners were opposed to sending the report to the Governor, while thirteen were in favor.

The discussion of sanctions resumed. Chairman Civiletti said that the Commission needed to decide upon the amount of the sanction. Commissioner Jones suggested that sanctions be a flat amount. Commissioner Pines said there needs to be a time limit for the disposition of the case and for the intervention and correction process to take place.

A vote was taken on a flat amount for sanctions, imposed on a continuing basis, until the recipient is in compliance. The amount of the sanction would be determined later. Six Commissioners were opposed, 12 were in favor.

A vote was taken on a different issue regarding sanctions. After 6 months of sanctions, if the recipient is willfully not in compliance, they will be terminated from the grant upon the recommendation of the intervention team. The vote was 12 for and 4 opposed, with 2 abstaining to putting this language to this effect into the report.

The Commission took a recess from 7:30 to 7:55 P.M.

After the recess, scheduling of future meetings was discussed.

There will be meetings from 4:00 to 8:00 P.M. on Tuesday, November 9, November 23 and December 14.

Topics suggested for the scope of work for these sessions included:

- Teen pregnancy
- Job creation
- Child support assurance
- Time limits
- Abell Foundation proposal
- Substance abuse
- Working poor
- UNEI benefits
- Minimum wage

Mr. Civiletti thought that under the very best circumstances it would be 10-12 years before the plan would be implemented fully. Discussion continued on concerns thus far. Some sense is needed of what has been voted on and what has been achieved.

Commissioner Leviton wants to know what kind of data collection system is needed. The question was raised regarding what legislation is needed to put a system of this type in place.

Commissioner Colvin pointed out that the concern over intervention becomes difficult when you're dealing with an uncooperative parent who cannot be forced to receive services. Too much focus has been placed on sanctions, and not enough has been placed on family preservation services.

Commissioner Colvin stated that anything we do has to begin with child care. Child care needs to be available until the family income exceeds eligibility. There is currently a problem with enough child care providers. Protective Services takes up a lot of the child care slots. The State is moving toward integrated service delivery. Commissioners should pay particular attention to the letter from Nancy Grasmick, Education Secretary. The minimum wage level should be looked at. The question was raised whether the Commission was only going to restrict funding from AFDC, or were other programs receiving Federal funds going to be looked at as funding sources. In response, it was stated other systems need to be looked at, but AFDC was large enough to begin with.

The meeting was adjourned at 8:30 P.M.

The next meeting will be November 9 at 4:00 P.M. in the usual location.



GOVERNOR'S COMMISSION ON WELFARE POLICY

DATE: November 5, 1993

TO: Persons Interested in Welfare Reform in Maryland

FROM: Daryl Plevy *Daryl*

RE: CANCELLATION OF NOVEMBER 9, 1993 MEETING
Next Commission Meetings and Minutes

We are CANCELING the November 9, 1993 meeting of the Commission. Staff from the Department of Human Resources will not be available due to their Budget briefing with the Governor.

The next meetings of the Governor's Commission on Welfare Policy will be on:

Tuesday, November 23, 1993

Tuesday, December 14, 1993.

They will be from 4:00-8:00 P.M. in the lower level Conference Rooms of the University of Baltimore Law Center, Maryland and Mount Royal Avenues.

Attached please find the minutes of the October 25, 1993 meeting.

If you have any questions about these materials, please contact the Commission Office at (410) 333-0278.

DP:RL:g
Attachments - 1



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STUDY

1987

1987

There will be a meeting of the Governor's Commission on the Status of the Elderly, on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540. The meeting will be held in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540. The meeting will be held in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540.



November 2, 1987
TO: Governor
FROM: Maryland Department of Human Resources
SUBJECT: CANCELLATION OF NOVEMBER 9, 1987 MEETING OF THE GOVERNOR'S COMMISSION ON THE STATUS OF THE ELDERLY
The meeting of the Governor's Commission on the Status of the Elderly, scheduled for November 9, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540, is hereby cancelled. The meeting will be held on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540.

We are cancelling the November 9, 1987 meeting of the Governor's Commission on the Status of the Elderly, scheduled for November 9, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540. The meeting will be held on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540.

The next meeting of the Governor's Commission on the Status of the Elderly will be held on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540. The meeting will be held on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540.

Two members of the Governor's Commission on the Status of the Elderly, Mr. and Mrs. [Name], have been notified that they will be unable to attend the meeting on November 10, 1987. The meeting will be held on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540.

With Attached please find the minutes of the Governor's Commission on the Status of the Elderly, dated November 9, 1987. The minutes are being provided to you for your information. The meeting will be held on November 10, 1987, at 10:00 A.M. in the Governor's Conference Room, 1000 North Capitol Street, N.W., Washington, D.C. 20540.

8-9-87 to be replaced by 8-10-87

Lauren and M. P. 1987 to be replaced by 11-10-87



GOVERNOR'S COMMISSION ON WELFARE POLICY

DATE: November 22, 1993

TO: Members of the Governor's Commission
on Welfare Policy
Cabinet and DHR Liaisons to the Commission
Persons interested in Welfare Reform in Maryland

FROM: Daryl Plevy

RE: CANCELLATION OF TOMORROW'S MEETING
(November 23, 1993)

We are canceling the Commission meeting that was scheduled for November 23, 1993.

The next scheduled meeting of the Commission will be on December 14, 1993 from 4:00-8:00 P.M. in the lower level Conference Rooms of the University of Baltimore Law Center, Maryland and Mount Royal Avenues.

DP:RL:g



GOVERNOR'S COMMISSION ON WELFARE POLICY

November 12, 1953

DATE:

Members of the Governor's Commission
on Welfare Policy
Cabinet and LHM Liaison to the Commission
Persons interested in Welfare Reform in Maryland

TOP:

Gary Levy, Chairman

FROM:

CANCELLATION OF TOMORROW'S MEETING

RE:

(November 12, 1953)

As the Commission meeting that was
scheduled for November 12, 1953.

The next scheduled meeting of the Commission will be on
December 14, 1953 from 4:00-8:00 P.M. in the lower level
Conference Room of the University of Baltimore Law
Center, Maryland and Mount Royal Avenue.

02:14:12



MEMORANDUM



DATE: December 9, 1993

TO: Members of the Governor's Commission on Welfare Policy

FROM: Daryl C. Plevy *Daryl C. Plevy*

RE: Postponement of the December 14, 1993 Meeting of the Governor's Commission on Welfare Policy

The December 14, 1993 meeting has been POSTPONED to allow time for Black and Hobbs, authors of the Abell Welfare Reform report, to make a presentation.

The Governor's Commission on Welfare Policy will meet next on **January 4, 1994, 4:00 - 8:00 P.M.** at the University of Baltimore, Maryland and Mt. Royal Avenues.

For further information you may call Rich Larson, 333-0278.

cc: DHR Liaisons
Governor's Cabinet Liaisons
Interest Groups